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94th Congress
2d Session } COMMITTEE PRINT

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FOOD STAMP PROGRAM

Staff Study

by the

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

SEPTEMBER 1976

Printed for the use of the Committee on Agriculture

94th Congress
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FOREWORD

Pursuant to House Resolutions 228 and 974, the House Committee on Agriculture was authorized $200,000 to carry out a comprehensive study of the Food Stamp program during 1975 and early 1976. In considering food stamp legislation, the committee had been frustrated in its efforts to obtain basic factual information about the program, including such questions as who actually participates, what their financial circumstances are, the problems associated with program administration, the participation of special groups such as students, strikers, and high-income families, and how food stamp rules and regulations compared with similar means tested programs.

Accordingly, the purpose of the study was to collect basic information about the operation of the program and the characteristics of food stamp recipients. An effort was made to identify those areas of greatest interest and concern and either develop or collect information which would help members of the committee better understand the nature of the problems so that legislative proposals could be considered in light of the best available information.

Therefore, while the study material printed herein encompasses a number of subjects and issues related to the Food Stamp program; the many complexities inherent in such an undertaking, as well as the availability of resources, limited the scope of the study so that information on certain important aspects not included in this report, such as the nutritional focus of the Food Stamp program, have been obtained separately by committee members.

The findings of fact speak for themselves, although they may be interpreted so as to support different and varying conclusions. However, the conclusions reached in this study were prepared by and are those of the committee staff. Therefore, it should be pointed out that wherever such conclusions are set forth in the study, they are not necessarily, and indeed may not be, those of the committee members. Moreover, the members reserve the right to differ with the form and content of this study, either specifically or in its totality, if any facts or conclusions contained in the study are said to be translated into, incorporated within, or be supportive of, legislation considered by the Congress.

Given the divergence of views of the members of this committee on the many difficult issues raised in the course of the Food Stamp study, no attempt was made to reach agreement on any conclusions nor was any attempt made to make recommendations, let alone to achieve unanimous agreement on any conclusions or recommendations. Rather a study group composed of a cross section of the members of the committee served in a supervisory capacity in guiding the work of committee staff. The committee study group shaped the general outlines of the study, provided general guidance to the committee staff in the con-

duct of the study, and conducted general oversight over the work of the committee staff.

It was intended that the study would provide a general repository of facts and knowledge uniquely prepared by and for the benefit of the committee members, the Members of the House, and the Congress generally. In addition, it was considered that the study would provide a cadre of informed committee staff personnel that would be available to the committee in the markup of committee food stamp bills. Thus, while the committee study does not contain extensive conclusions nor any recommendations, it is believed that the information provided by the study has been helpful in the committee consideration of the food stamp legislation reported by this committee.

The committee wishes to acknowledge the assistance provided it by the General Accounting Office, the Department of Agriculture, the State and local welfare offices and the House information system's staff of the Committee on House Administration.

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APPENDIX I

Processing Applications for Food Stamps:
How Long Does it Take?*

*A complete copy of this report is available from the the House Committee on Agriculture upon request.

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U.S. House of Representatives
Committee on Agriculture
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Washington, D.C. 20515

August 1, 1975

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Dear Mr. Staats:

In recent months there has been a growing concern over the inability of the States and local projects to interview and certify applicants, and to issue them food stamps in a timely manner. There have been increasingly common accounts of persons lining up in front of food stamp offices very early in the morning and still not being certified that day; of persons waiting three and four weeks before they could apply; and of persons having to return to food stamp offices repeatedly with additional documentation to verify eligibility. In recognition of these concerns, S. 1662 has passed the Senate and H.R. 7887 has been reported out of Committee by the House Committee on Agriculture. While these bills vary in detail, the intent is to insure that people receive food stamps within a reasonable time after they apply. They would require certification and issuance of food stamps on the same day a person makes his first reasonable attempt to apply for program benefits, and eligibility would be determined on the basis of information provided in the application. Verification of this information would be made subsequently.

This Committee is quite concerned with the question of timely certification, as well as other aspects of the Food Stamp Program, and is taking steps to obtain information that will provide better understanding of a variety of program problem areas. The purpose of this letter is to confirm an informal understanding reached by a member of the Committee staff and representatives of your office that the General Accounting Office as part of its review of the Food Stamp Program, will compile factual information on the timeliness of services provided to food stamp applicants in selected food project areas (including some in large metropolitan areas). This will involve primarily an analysis of actual recent cases to determine the extent of, and reasons for, delays in interviewing and certifying applicants and providing them the opportunity to purchase food stamps.

As Sponsor of H.R. 7887, I am hopeful that it will be enacted into law. I believe the information available has demonstrated the need for this kind of emergency action. However, the action proposed is temporary in nature and therefore will need to be dealt with on a more permanent basis as the Committee looks at overall need for food stamp program revision. Also, if H.R. 7887, or something similar, is enacted into law, there is some concern that the certification procedures would result in increased program abuse. Therefore, it would be useful to have information soon after that procedure is implemented that would be helpful in assessing the extent of any additional program abuse.

In the event that this pending legislation is not enacted, there will be continuing concern about problems of timely certification and issuance of food stamps. Therefore, information on the extent to which the problems persist during the coming months, and on the causes of the problems, will be very useful to the Committee.

In addition, if information available at the food stamp offices permits, it would be very useful to have an assessment of the benefits that result from the verification procedures. I understand that in some offices recently visited by your representatives, certification arrangements were such that the verification procedure was not separable from the application procedure and could not be examined independently after an application was completed. If that turns out to be the case at offices your staff visits, determining the benefits from the verification requirement may not be possible. However, I would appreciate any information in this area which you can provide.

In line with the overall schedule on the study which the Committee has under way, I would appreciate a report on these matters no later than the end of December, 1975. If your staff have questions or need additional information, please have them contact Mr. James E. Springfield, whose telephone number is 225-2171.

Thank you for your assistance.

Sincerely,

Thomas S. Foley
Chairman

The Honorable Elmer B. Staats
Comptroller General of the United States
441 G Street, N.W.
Washington, D.C. 20548

TSF:jsl

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

A-51604 August 8, 1975

The Honorable Thomas S. Foley
Chairman, Committee on Agriculture
House of Representatives

Dear Mr. Chairman:

We have received your letter of August 1, 1975, concerning the timeliness of services provided to food stamp applicants. This matter has been referred to our Resources and Economic Development Division.

We note particularly your request for a report by the end of December 1975.

We expect in the near future to discuss further with the Committee staff the scope of our past and current reviews with respect to the food stamp program, with a view toward determining the most effective and responsive method of reporting to the Committee by the date specified.

Sincerely yours,

Martin J. Fitzgerald

Martin J. Fitzgerald
Office of Congressional
Relations

REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES

Processing Applications For Food Stamps: How Long Does It Take?

Food and Nutrition Service

Department of Agriculture

GAO reviewed 3,241 applications for food stamps in 16 projects in 7 states--California, Illinois, Indiana, Maryland, Michigan, Ohio, and Texas. About a third of the applications were processed within 7 days; over half were processed within 14 days; and more than three-fourths were processed within 30 days. Applicant delay in providing required documentation was the most important cause of increased processing times.

RED-76-74

FEB. 27, 1976

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

A-51604

The Honorable Thomas S. Foley
Chairman, Committee on Agriculture
House of Representatives

Dear Mr. Chairman:

Pursuant to your August 1, 1975, request, we have reviewed the processing of applications for food stamps and have compiled information on the speed of servicing food stamp applicants at selected locations. We obtained information on how applications were submitted and processed, how long the processing took, why processing took as long as it did, and the results of verifying information on the applications.

BACKGROUND INFORMATION AND SCOPE OF REVIEW

The food stamp program, authorized by the Food Stamp Act of 1964, as amended (7 U.S.C. 2011), is designed to help low-income households obtain nutritionally adequate diets by supplementing their food budgets. The program is administered nationally by the Food and Nutrition Service, Department of Agriculture. State and county agencies administer the program locally.

Under the program participating households buy food stamps with value greater than their purchase price and use them to buy food at authorized stores. The prices the participants pay for the stamps and the total values of stamps they receive are based on household size, income, and certain expenses; extremely low-income households get food stamps free. Households in which all members receive public assistance (welfare) are automatically eligible to receive food stamps, but they pay for the stamps in proportion to their incomes.

We conducted our review at 16 projects in 7 States. We selected the locations to obtain wide geographic coverage and to include large and small projects in both rural and urban areas. The information we compiled should be representative of circumstances in the 16 projects but may not be representative of circumstances in other projects or other States. The 16 projects, the cities we visited, and the number of participants in each project as of September 1975 are shown below.

A-51604

	Project	Participants	Cities
1.	Cook County, Ill.	667,547	Chicago
2.	Boone County, Ill.	600	Belvidere
3.	Marion County, Ind.	50,287	Indianapolis
4.	Porter County, Ind.	1,756	Valparaiso
5.	Dallas County, Tex.	92,488	Dallas
6.	Wayne County, Mich.	253,411	Detroit
7.	Monroe County, Mich.	5,675	Monroe
8.	Cuyahoga County, Ohio	193,527	Cleveland
9.	Medina County, Ohio	2,764	Medina
10.	Baltimore (City), Md.	166,737	Baltimore
11.	Harford County, Md.	5,518	Bel Air
12.	Cecil County, Md.	4,040	Elkton
13.	San Francisco County, Calif.	84,421	San Francisco
14.	Alameda County, Calif.	71,888	Oakland Fremont Hayward
15.	Monterey County, Calif.	15,330	Salinas
16.	El Dorado County, Calif.	2,419	Placerville

The detailed data we compiled for each project is presented as tables A through E of this report. The number listed for each project identifies the tables containing information for that project; for example, Cook County information is in tables A-1 through E-1.

In each of the 8 large projects (over 50,000 participants), we randomly selected for review about 250 completed new cases initiated about August 1975 and about 100 new cases pending with caseworkers 1/ at the times of our visits (October and November 1975). We generally visited five different food stamp offices in each large project. In each of the 8 small projects, we visited 1 office and randomly selected for review 50 completed new cases and 20 pending new cases, except where fewer than 20 cases were pending. We reviewed a total of 2,406 completed cases and 835 pending cases.

1/There were no pending cases in Cuyahoga County.

A-51604

HOW APPLICATIONS WERE SUBMITTED AND PROCESSED

Applicants initiate food stamp applications by calling or visiting local food stamp offices. Some of the projects we reviewed allowed individuals to walk in, submit applications and/or be interviewed on a first-come-first-served basis, but most required or preferred appointments, especially for interviews. Nearly all of the projects told the applicants before the interview which documents would be needed to verify information on the application. This was not usually possible for walk-in applicants. The information for which verifying documents are commonly required and the types of documents usually accepted are:

Income--pay stubs; employer's statements; copies of checks.

Mandatory deductions--tax withholding schedules; pay stubs.

Resources--bank books and statements; vehicle registrations; appraisal statements.

Medical expenses--bills; receipts; statements.

Child care expenses--statements from babysitters.

Tuition--statements from educational institutions.

Child support and alimony--copies of court decrees; statements from spouses.

Shelter costs and proof of residence--mortgage and rent receipts; utility bills.

After the key information on the applications was verified, applications were approved or denied based on nationwide eligibility standards, and bonuses--the difference between the price of the stamps and their value--were determined. For approved applications, authorizations to purchase food stamps were then issued each month and the participating households could use the authorizations to obtain their food stamp allotments. Authorizations to purchase food stamps were usually issued by computer, especially in the eight large projects.

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A-51604

Households with emergency needs for food stamps were given expedited service in the application processing.

HOW LONG IT TOOK TO PROCESS APPLICATIONS

About a third of the applications we reviewed were processed within 7 days and more than half were processed within 14 days. More than three-fourths of the cases were processed within 30 days.

Some of the projects we reviewed did not have records showing the dates of applicants' initial contacts with the local food stamp offices, and, in those cases, the date the application was submitted was the earliest date in the records. Processing times are summarized below for the 3,241 cases reviewed. Time frames are shown separately for the 1,683 cases for which the date of initial contact was available and for the 1,558 cases for which the date of application submission was used.

	Percent of cases processed	
	From initial contact	From submission of application
Within:		
7 days	33	42
14 days	55	64
21 days	71	77
30 days	84	90
Over 30 days	16	10

Food and Nutrition Service regulations require applications for food stamps to be approved or denied within 30 days of their submission, but additional time can elapse between an applicant's initial contact and the time the application is submitted, as well as between the application's approval and the issuance of the authorization to purchase food stamps. Where possible, our review took this additional time into account (see table below). Pending legislation (H.R. 7887) would require that applications be approved or denied before verifying key information, but would allow those projects issuing all of their authorizations within 30 days of the applicants' initial contacts to be exempted from this requirement.

Average processing times for applications are shown below.

Processing steps	Average number of days: Completed cases	Average number of days: Pending cases
Initial contact to submission of an application	4.4	5.7
Application submission to interview	1.8	1.9
Interview to completion of verification	5.7	13.4
Completion of verification to approval or denial	1.2	3.1
Approval of application to issuance of an authorization to purchase stamps	6.1	-
Total process--from initial contact	16.9	21.2
Total process--from submission of application	13.5	16.2

In selecting pending cases for review, we generally did not include approved cases awaiting issuance of authorizations to purchase food stamps. All cases appeared to be treated the same in that step and therefore, the time needed to complete that step would probably have been about the same for pending cases as it was for completed cases. For completed cases only, the issuance of authorizations was the longest step, especially in projects where this was done by computer; however, considering both completed and pending cases, verification of information was the longest step.

In some cases authorizations to purchase food stamps were issued on the same day as the initial contact; however, processing sometimes took as long as 218 days for completed cases and 259 days for pending cases.

Average processing time was much longer in the large projects--16.6 days for completed cases and 20.4 days for

pending cases--than it was in the small projects--8.8 days for completed cases and 13.1 days for pending cases.

Tables A and B for each project show additional details on how long it took to process food stamp applications.

WHY PROCESSING TOOK AS LONG AS IT DID

For each case we reviewed taking longer than 7 days to process, we tried to determine what caused the processing to take as long as it did and the time associated with each cause. We assessed the overall importance of the different causes by considering the number of cases affected by each cause and the average length of processing time attributable to that cause.

Applicant failure to furnish, or to promptly furnish, required documentation was the most important cause of application processing delays. Other reasons for delays, in order of their importance, were (1) work backlogs due to large numbers of applicants, (2) problems with computer processing and issuance of authorizations to purchase food stamps, (3) suspension of authorization issuances during the last week of each month because there would not be adequate time for applicants to obtain stamps for that month, and (4) rescheduling interviews for applicants' convenience.

Additional detail on reasons for delays in processing applications is contained in the enclosed summaries of work results and in table C for each project. Workload data is shown in table D for each project.

BENEFITS RESULTING FROM VERIFICATION

For each of the completed cases reviewed, except for 87 public assistance cases in Alameda County, California, we attempted to determine the benefits resulting from verification; that is, whether verifying key information on the application resulted in a monthly food stamp bonus that was different than what it would have been had the information not been verified. The number of cases in which we could determine the results of verification and the amount of change in the monthly bonus are shown in table E for each project and are summarized below.

A-51604

	Cases	Change in monthly bonus
Results determinable:		
Benefits to the Government	410	$20,027
Benefits to the recipient	162	5,030
Benefits unchanged	826	
Subtotal	1,398	
Results not determinable	921	
Total	2,319	

In many cases we were unable to determine results from verification because the records did not show unverified information or did not distinguish between verified and unverified information. The changes in food stamp bonuses because of verification were due primarily to understatement of household income and overstatement of shelter expense.

We also asked local officials about their experiences and views on approval of applications before verification. All those expressing views on the subject believed that such a policy would lead to widespread errors in food stamp bonuses and to ineligible households receiving stamps.

- - - -

In accordance with instructions from your office, this report has not been reviewed by Federal, State, or local officials responsible for the activities discussed.

Sincerely yours,

Elmer B. Staats

Comptroller General
of the United States

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SUMMARY OF RESULTS

COOK AND BOONE COUNTIES, ILLINOIS,

MARION AND PORTER COUNTIES, INDIANA

We visited 12 offices serving 4 project areas in Illinois and Indiana--1 office each in Belvidere (Boone County), Illinois and Valparaiso (Porter County), Indiana; and 5 each in Chicago (Cook County) and Indianapolis (Marion County). We reviewed 835 randomly selected case files.

HOW APPLICATIONS WERE SUBMITTED AND PROCESSED AT LOCATIONS VISITED

All of the offices told applicants in advance what supporting records they would need to establish eligibility. The Illinois offices also screened applicants to establish their potential eligibility and their immediate need for assistance. All of the offices used an appointment system to accept applications and interview applicants, but they provided immediate service for emergencies. In addition, the central Marion County office, which handled a majority of the county's applicants, routinely interviewed walk-in applicants.

All of the offices urged applicants to complete their application before the interview, except in Marion County where the interviewers usually prepared the complete application.

The Illinois offices manually issued authorizations to purchase food stamps for the first month and the State's central computer issued the recurring authorizations. In Indiana, Marion County printed authorizations with its own computerized system. For Porter County, the State issued authorizations through its centralized computer system for new applicants approved during the first half of the month.

HOW LONG IT TOOK TO PROCESS APPLICATIONS

Processing took over 7 days in about 65 percent of the 835 cases reviewed. Processing times for the projects are summarized below.

Project area (county)	Completed cases			Pending cases		
	Cases	Average (number of days)	Range (number of days)	Cases	Average (number of days)	Range (number of days)
Boone	50	7.7	0 to 19	20	3.0	0 to 16
Cook	250	24.9	0 to 122	100	28.1	0 to 109
Marion	250	10.4	0 to 32	100	18.4	1 to 30
Porter	50	13.1	7 to 37	15	24.3	11 to 37

Of the 600 completed cases we reviewed in the 4 projects, 88 percent of the applications were either denied or had the authorizations issued within 30 days of the applicants' initial contact with local food stamp offices. Detailed information on processing times is contained in tables A-1 through A-4 and B-1 through B-4.

In completed cases a major portion of the processing time was between the applicants' initial contacts with the welfare agency and the day they submitted applications (6.8 days for Boone County and 7.7 days for Cook County). Another time-consuming phase was from application approval to issuance of authorization to purchase (3.7 days in Porter County and 11.1 days in Cook County). For pending cases the time between the interview and completion of verification seemed long (18.4 days in Marion County and 17.3 days in Porter County). In Porter County an additional delay frequently occurred because the issued authorizations were not mailed and the applicants were not notified that the authorizations were ready for pickup.

WHY PROCESSING TOOK AS LONG AS IT DID

The applicant's failure to furnish, or delays in furnishing, required records was a frequent cause of delays and resulted in the longest average number of days delay. A major factor contributing to the length of these delays in Cook County was that the county allowed applications to remain pending instead of denying them when the applicant did not provide required records after a certain length of time.

The interviewers' workload was a major and frequent cause of delay in Cook, Boone, and Porter Counties. On approved cases, the clerical workload and procedures were major causes of delays in Cook and Marion Counties. Inexperienced staff and heavy workloads also caused delays in supervisors' processing of cases in Marion County.

Sharp increases in food stamp applications caused workload problems and extended processing times in the Illinois

offices. During this same time period, there were also backlogs of applications for public assistance, and it was the practice to give priority to processing public assistance cases by shifting staff. The large workload in Cook County at the end of September 1975 (see table D-1) was the result, at least in part, of strikes and the shifting of priorities betweeen the food stamp and public assistance workloads.

The States' centralized computer systems for issuing authorizations were major sources of delays in some cases. Although Porter County could have issued its authorizations manually the same day that applicants were approved, it was prevented from doing so by State procedural requirements. The computerized system in Marion County also caused delays in issuing authorizations because it did not process authorizations after a certain date each month. Additional detail on the reasons for delays is presented in tables C-1 through C-4 while tables D-1 through D-4 present workload data for January to October 1975.

BENEFITS RESULTING FROM VERIFICATION

We reviewed the completed cases at each office to determine whether verification of applications resulted in decreases or increases in the monthly bonus value of stamps to be issued to applicants. The results of our review for the four counties are shown in detail in tables E-1 through E-4 and are summarized below.

	Illinois		Indiana		Total	
	Cases	Change in monthly bonus	Cases	Change in monthly bonus	Cases	Change in monthly bonus
Results determinable:						
Benefits to the Government	52	$1,862	6	$227	58	$2,089
Benefits to the recipient	12	237	2	103	14	340
Benefits unchanged	150		55		205	
Subtotal	214		63		277	
Results not determinable	86		237		323	
Total	300		300		600	

About 90 percent of the $2,089 decrease in applicants' monthly bonus value was due either to an understatement of income (51.2 percent), particularly wages and salaries, or to an overstatement of shelter and child care expenses (38.4 percent). In those cases in which verification results were not determinable, it was generally because the records did not distinguish between verified and unverified information or did not show unverified information.

SUMMARY OF RESULTS

DALLAS COUNTY, TEXAS

We visited 5 offices serving the Dallas County project area and reviewed 350 randomly selected case files.

HOW APPLICATIONS WERE SUBMITTED AND PROCESSED AT LOCATIONS VISITED

Applications for food stamps could be obtained by telephone request, mail, or in person at any of the five food stamp offices visited. Upon receipt of a signed application, an interview was scheduled and the applicant was told what information and documents would be needed.

Under new procedures established on a trial basis during our review, the caseworker attemped to verify application information during an interview in the applicant's home. In many instances, however, the applicant did not have the required documentation on hand and further processing of the case was delayed until the applicant brought the information to the food stamp office.

If the application was approved, the applicant and the State welfare department's computer center were notified. The computer center issued the authorization to purchase food stamps and mailed it to the applicant.

"Emergency" applicants--persons who did not have the food or money to survive for 7 days--were interviewed in their homes on the same day or the day after they came to the food stamp office and completed an application. If the emergency applicant could provide the required documentation to prove his eligibility, he was manually issued an authorization in 4 to 24 hours.

"Semi-emergency" applicants--persons who had resources to last 7 days, but not enough to last through the normal 30-day processing period--also received immediate home interviews. After proof of eligibility was established and the application was processed and approved, the authorization was issued by the State welfare computer center within 7 days.

HOW LONG IT TOOK TO PROCESS APPLICATIONS

Processing took over 7 days in about 92 percent of 350 cases reviewed in Dallas County. The processing times

for completed and pending cases are summarized below and are presented in more detail in tables A-5 and B-5.

Project area (county)	Completed cases			Pending cases		
	Cases	Average	Range	Cases	Average	Range
		(number of days)			(number of days)	
Dallas	250	22.6	0 to 87	100	29.3	1 to 78

For the 250 completed cases reviewed, 77 percent of the applications were denied or had authorizations to purchase stamps issued within 30 days of the applicants' initial contacts with local food stamp offices.

The longest step in the application process for both completed and pending cases (see table B-5) was the time between application submission and the interview (9.4 days for completed cases and 15.0 days for pending cases). The second longest interval for both completed and pending cases occurred between the interview and completion of verification (5.5 days for completed cases and 9.4 days for pending cases).

WHY PROCESSING TOOK AS LONG AS IT DID

The interview delays affecting completed cases were caused by a temporary decrease in the number of food stamp caseworkers assigned to application processing. The interview delays for pending cases were caused by this same decrease in staff and also by a decline in caseworker productivity due to a change in processing procedure.

During the period the cases we reviewed were in process, the State welfare department operated under a job freeze and several food stamp caseworkers were temporarily loaned to a fraud investigation unit. In addition, during the period the pending cases were in process, the home interview program was initiated on a trial basis.

Caseworkers could usually schedule eight office interviews per day but could usually schedule only four to five new home visits daily. These schedules were further reduced if applicants did not keep their home appointments. The decline in staff and initiation of the home interview program, however, did not affect an office's ability to respond to the needs of emergency and semi-emergency applicants.

Applicant failure to furnish, or delay in furnishing, supporting documentation was the major cause of verification delay. Forty-five cases taking more than 7 days to complete were delayed an average of 18.4 days while caseworkers waited for receipt of supporting documentation from applicants. Fifteen applications pending more than 1 week were delayed an average of 15.2 days for this reason.

Other reasons for processing delays included (1) applicants not returning completed applications promptly, (2) interview rescheduling for applicants' convenience, and (3) computer delays or errors. Additional detail on the reasons for delays is presented in table C-5.

The workload at the 5 offices from January through September 1975 averaged 8,137 new applications, reapplications, and recertifications, ranging from a low of 6,633 cases in August to a high of 10,225 cases in March (see table D-5). The pending caseload remained relatively constant during this period. As the workload varied between the five offices, staff was shifted to meet peak demands.

BENEFITS RESULTING FROM VERIFICATION

We reviewed the completed cases at the five offices to determine whether verification of applications resulted in decreases or increases in the bonus value of stamps to be issued to applicants. The results of our review for Dallas County are shown in table E-5 and are summarized below.

	Cases	Change in monthly bonus
Results determinable:		
Benefits to the Government	112	$6,699
Benefits to the recipient	45	1,447
Benefits unchanged	66	
Subtotal	223	
Results not determinable	27	
Total	250	

During our review, local food stamp officials gave us an illustration of the abuse that could result from "instant certification" of applicants with later verification of application data. In 1974 these officials entered into

an agreement with the Dallas County Welfare Department under which all referrals from the welfare department were certified for food stamps and the food stamp bonus was calculated without verification. In return, Dallas County agreed to reimburse the food stamp program if overpayments occurred. In the period from April 1974 to July 1975, 407 referrals involving $53,515 in bonus stamps were accepted without prior investigation or verification. Subsequent verification by food stamp personnel disclosed that unreported applicant income caused 108 overissuances totaling $4,994. Dallas County reimbursed the Department of Agriculture for these overpayments.

SUMMARY OF RESULTS

MONROE AND WAYNE COUNTIES, MICHIGAN

CUYAHOGA AND MEDINA COUNTIES, OHIO

We visited 12 offices serving 4 project areas in Michigan and Ohio--1 office each in Monroe County, Michigan, and Medina County, Ohio, and 5 offices each in Detroit (Wayne County) and Cleveland (Cuyahoga County). We reviewed 741 case files selected at random.

HOW APPLICATIONS WERE SUBMITTED AND PROCESSED AT LOCATIONS VISITED

Food stamp applicants in Cuyahoga, Medina, and Monroe Counties could obtain an interview by appointment or on a walk-in basis. If time permitted, walk-in applicants were interviewed the same day. Interview appointments were encouraged, however, and were used by most of the applicants in these three counties. Medina and Monroe Counties sent packets of information, describing the documents needed to establish eligibility, to persons making appointments; Cuyahoga County told persons who telephoned what was needed and gave a check list to walk-ins.

Wayne County accepted applications only on a walk-in, first-come-first-served basis. Three of the five Wayne County offices we visited had established quotas for the minimum number of interviews each caseworker would conduct each day. Applicants who would have been in excess of the quotas were advised that they might not be interviewed that day and that they might wish to try again another day. Wayne County applicants were generally not told in advance what documents to bring, and much of the key information needed was not entered on the applications until documentation was supplied.

In all four counties the information reported on the applications was verified to source documents supplied by the applicant. In the smaller counties of Medina and Monroe, certification workers occasionally confirmed employment data by telephone when applicants were unable to provide documentary support for income.

Applicants who did not bring required documents to the first interview were handled differently in each of the four

project areas. Cuyahoga County denied the applications and when applicants returned, a new application was prepared. In Wayne County, applications were held in a pending status while the applicant obtained additional documentation and returned for a second interview. Returning applicants were interviewed on a first-come-first-served basis with other applicants. In Monroe County, applications were held in a pending status and the applicant was given interview priority when returning with additional documentation. In Medina County, applications were held in a pending status and the subsequent interview was scheduled by appointment.

The Michigan offices manually issued the initial authorizations to purchase food stamps and county computers issued later authorizations. Cuyahoga County issued all authorizations by computer except in cases of emergency, while Medina County issued all of their authorizations manually.

HOW LONG IT TOOK TO PROCESS APPLICATIONS

Processing took over 7 days in 46 percent of the 741 cases reviewed. Of the 600 completed cases we reviewed, approximately 94 percent of the applications were denied or authorizations to purchase were issued within 30 days of the applicants' initial contacts with local food stamp offices. The total processing time is understated for Wayne, Cuyahoga, and Medina Counties because records of initial contacts were not kept. Processing times for the project areas are summarized below.

Project area (county)	Completed cases			Pending cases		
	Cases	Average (number of days)	Range (number of days)	Cases	Average (number of days)	Range (number of days)
Cuyahoga	250	8	0 to 39	-	-	-
Medina	50	4	0 to 31	20	12	0 to 29
Monroe	50	7	0 to 30	21	20	6 to 47
Wayne	250	12	0 to 218	100	15	0 to 69

Detailed information on processing times is contained in tables A-6 through A-9 and B-6 through B-9. Cuyahoga County had no pending cases because it denied applications if all documentation was not supplied at the interview. While it appears from table B-8 that Cuyahoga County did not incur delays in verifying applications, the time interval between applications by the same applicant could be considered

verification delays. We did not obtain information on how long such intervals were. At 1 Cuyahoga County office, applicants in 13 of the 75 cases reviewed had to reapply at least once to be approved.

In both completed and pending cases for all four counties, the major processing delay occurred in verifying information reported on the application. Also, in Wayne, Cuyahoga, and Medina Counties, delays occurred in issuing food stamp authorizations. (See tables B-6 through B-9.)

WHY PROCESSING TOOK AS LONG AS IT DID

Delays in verification occurred because applicants did not bring the necessary supporting documentation to their first interview. In Monroe, Cuyahoga, and Medina Counties, some applicants neglected to bring the required documentation, even when told what documents to bring. Wayne County interviews were held on a first-come-first-served basis and applicants were generally not told in advance what documents to bring.

Delays in issuing intitial authorizations to purchase stamps occurred in one Wayne County office because food stamp certification workers did not issue authorizations manually as required. Computer processing of authorizations caused delays in Cuyahoga County. Tables C-6 through C-9 provide additional detail on reasons for delays while tables D-6 through D-9 present workload data from January to September 1975.

BENEFITS RESULTING FROM VERIFICATION

We reviewed the completed cases at each office to determine whether verification of applications during initial processing resulted in changes in the monthly bonus value of stamps to be issued to applicants. In Wayne and Monroe Counties, however, we were unable to determine the benefits resulting from verification because the records did not include unverified information.

The results of our review for Cuyahoga and Medina Counties where we were able to determine the benefits resulting from verification are shown in detail in tables E-8 and E-9 and are summarized below.

76-969 O - 76 - 3

	Cases	Change in monthly bonus
Results determinable:		
Benefits to the Government	98	$5,622
Benefits to the recipient	42	1,832
Benefits unchanged	160	
Subtotal	300	
Results not determinable	300	
Total	600	

In Cuyahoga County we were able to categorize results by verification item (see table E-8). Verification of earned income and shelter expenses accounted for about 55 percent of the benefit changes.

Food stamp officials in all four counties opposed "instant certification" of applicants with later verification of application data. They cited (1) the inadequacy of the size of the present staff to handle the anticipated increase in the number of applications, (2) the probability that a backlog of cases pending verification would develop, and (3) a likely increase in the number of fraudulent applications filed. Wayne County food stamp officials said that their welfare department had recently experimented with "presumptive eligibility" for aid to families with dependent children applicants. According to these officials, presumptive eligibility resulted in a large number of fraudulent applications being filed, and they believed instant certification would produce a similar result in the food stamp program.

SUMMARY OF RESULTS

BALTIMORE CITY AND HARFORD

AND CECIL COUNTIES, MARYLAND

We visited seven offices serving three project areas in Maryland--one office each in Harford and Cecil Counties and five offices in the City of Baltimore. We reviewed a total of 488 randomly selected case files.

HOW APPLICATIONS WERE SUBMITTED AND PROCESSED AT LOCATIONS VISITED

Upon contacting local food stamp offices, applicants were told when their interviews would be held and what documentation was needed to verify applications. Three Baltimore offices and the Cecil County office scheduled interviews either by appointment or on a walk-in basis; two Baltimore offices and the Harford County office scheduled interviews by appointment only. In six of the seven offices, the applicant filled out the application which was reviewed and verified by a caseworker. In Cecil County the application was filled out by the caseworker during the interview.

If, as normally happened, an applicant did not bring all the necessary documentation to the interview, he was given a list of the items needed and was asked to supply them within 15 days. Each applicant also was checked through a master file to determine whether he was receiving or had received food stamps. After all documentation was received and the master file clearance completed, the caseworker determined whether the applicant was eligible for food stamps. The caseworker then notified the applicant of the decision and, for those found eligible, prepared an approval document.

After the approval document was prepared, the procedures followed by the three project areas varied. In Baltimore, the five offices sent the approval documents to a central edit and control section for a check on accuracy and completeness. From there the approval documents were sent to an automatic data processing section where authorizations to purchase were printed. The authorizations were then sent to another location for mailing to the applicants.

In Harford County, the project office used the approval documents to type initial authorizations to purchase,

valid for the first month. These were then mailed to the applicants. For later months, the authorizations were printed by a county computer. Authorizations to purchase were not used in Cecil County. Instead, the approval documents were sent to a central issuance office where participants signed issuance cards each time they obtained food stamps.

In all three project areas, caseworkers attempted to expedite processing of applications for persons in an emergency situation. The same steps were followed as for normal applications, but the processing times between steps were reduced whenever possible.

HOW LONG IT TOOK TO PROCESS APPLICATIONS

Seventy-seven percent of the 488 cases we reviewed took more than 7 days to process. Processing times for the three projects are summarized below.

	Completed cases			Pending cases		
Project area	Cases	Average (number of days)	Range (number of days)	Cases	Average (number of days)	Range (number of days)
Baltimore City	251	27.6	0 to 75	97	20.2	1 to 259
Cecil County	50	7.6	0 to 43	15	8.4	0 to 30
Harford County	55	16.2	0 to 62	20	23.0	1 to 69

For the 356 completed cases we reviewed in the 3 project areas, 73 percent of the applications were denied or authorizations to purchase food stamps were issued within 30 days of the applicants' initial contact with local food stamp offices. Detailed information on processing times for these projects is contained in tables A-10 through A-12 and B-10 through B-12.

The interval between interview and completion of verification provided the most frequent delay. In addition, a lengthy processing step in Baltimore was between application approval and issuance of authorizations to purchase food stamps.

The time between initial contact and application submission (usually at the interview) averaged 11.0 days in Harford County and 1.2 days in Cecil County. Complete data on this processing step was not available in Baltimore, but local officials estimated that the wait for an interview ranged from 1 to 21 days.

WHY PROCESSING TOOK AS LONG AS IT DID

Applicant failure to furnish, or delay in furnishing, supporting documentation was the most important cause of verification delay. We found that applicants had the most difficulty in substantiating salaries and wages, social security and unemployment entitlements, and shelter and medical expenses. In Baltimore another major cause of verification delay was the master file clearance. This process--which involved filling out a clearance request, transmitting the request by courier to a central office, and manually checking client history cards--accounted for about half of the 16.2 days between the interview and verification completion. Master files in Cecil and Harford Counties were located in the food stamp offices, and the clearance process was completed in 1 day or less.

Baltimore's delay in issuing authorizations to purchase stamps was caused by the time consumed in data processing procedures and in the movement of approval documents and authorizations. This delay was also affected by Baltimore's practice of not initiating the processing of authorizations after a "cutoff day" (generally 4 to 5 working days before the end of the month) because the applicant would probably not receive the authorizations in time to purchase food stamps before the end of the month. Cecil and Harford Counties issued the current month's food stamp allotment even if the initial request was made on the last working day of the month.

Harford County's delay in holding interviews occurred because of a workload backlog. Tables C-10 through C-12 provide additional detail on reasons for delays in the three project areas.

It appeared that the size of Baltimore's total caseload and its procedures increased processing time. For example, the requirement that all Baltimore applications be funneled into two centers (master file and data processing) added to processing time.

Cecil County applicants received food stamps quicker than applicants in any of the five Baltimore offices although Cecil County had a higher nonpublic assistance caseload per caseworker. Data was not available for public assistance cases receiving food stamps. We did not analyze Harford County's workload per caseworker because of inaccuracies in caseload data. It appeared that Cecil County casewokers were able to process more applications because:

--Applicants were quicker in supplying additional documentation.

--Supporting documentation was easier to obtain. Legal documents were available in the same building as the food stamp office and quick service for social security and unemployment conpensation information was available at nearby offices.

--Master file clearance was obtained in less than half a day.

--Caseworkers appeared to have less outside interruptions while processing applications.

--Interviewers spent less time taking applications. This shorter period may have been due to the interviewer, rather than the applicant, filling out the application form.

Additional detail on workloads for these projects is shown on tables D-10 through D-12.

BENEFITS RESULTING FROM VERIFICATION

We reviewed the completed cases at each office to determine whether verification of applications resulted in changes in bonus value of stamps to be issued to applicants. The results of our review for the three project areas are shown in tables E-10 through E-12 and are summarized below.

	Cases	Change in monthly bonus
Results determinable:		
Benefits to the Government	21	$824
Benefits to the recipient	10	247
Benefits unchanged	101	
Subtotal	132	
Results not determinable	224	
Total	356	

Overstatement or understatement of applicant income caused approximately two-thirds of the total change in bonus dollars. In most cases, however, verification results were not determinable because the records either did not distinguish between verified and unverified information or did not show unverified information.

SUMMARY OF RESULTS

ALAMEDA, EL DORADO, MONTEREY, AND

SAN FRANCISCO COUNTIES, CALIFORNIA

In California we conducted our review in five offices in Alameda County and in one office each in San Francisco, Monterey, and El Dorado Counties. San Francisco County had only one office handling nonpublic assistance cases. Altogether, we reviewed 827 case files generally selected at random, including 112 public assistance cases in Alameda County. Work in Alameda County was concentrated in the urban area of Oakland.

HOW APPLICATIONS WERE SUBMITTED AND PROCESSED AT LOCATIONS VISITED

Three of the four project areas we visited in California accepted applicants by appointment only, except for emergency cases. Prior to their appointments, individuals were provided application forms and lists of needed supporting documents. In Monterey's walk-in system, however, applicants were interviewed on the day of their initial contact if possible.

Applications with incomplete supporting documentation were held until the needed documentation was provided. On a few occasions, San Francisco, Monterey, and El Dorado accepted applicants' undocumented statements if the statements appeared reasonable to the caseworker, but such applications were approved for only 1 month.

Authorizations to purchase food stamps were prepared mechanically by each county's data processing center and sent to the local welfare office or fiscal department for final processing and mailing to the applicant. All four counties had provisions, including manual preparation of the authorizations if necessary, for expediting emergency cases. Also, all four counties had special procedures for issuing food stamps, such as over-the-counter sales and sales by mail.

HOW LONG IT TOOK TO PROCESS APPLICATIONS

Sixty-two percent of the 715 food stamp cases reviewed which did not involve public assistance recipients took longer than 7 days to process. Monterey County, however,

processed all of the 50 completed cases reviewed in less than 7 days. Processing times are summarized below for the four California project areas and are presented in detail in tables A-13 through A-16 and B-13 through B-16.

Project area (county)	Completed cases			Pending cases		
	Cases	Average (number of days)	Range (number of days)	Cases	Average (number of days)	Range (number of days)
Alameda	163	25.1	2 to 113	75	28.9	4 to 92
El Dorado	50	12.4	0 to 52	5	11.4	1 to 18
Monterey	50	1.7	0 to 6	22	3.8	0 to 14
San Francisco	250	8.5	0 to 52	100	9.8	0 to 33

Public assistance recipients are automatically eligible for food stamps. In Alameda County we reviewed 87 completed and 25 pending public assistance cases because their processing frequently took longer than 7 days. In the 87 completed public assistance cases we reviewed, the average time for processing the food stamp applications after public assistance was approved was 7.5 days with a range from 0 to 36 days (see table B-14a).

Of the 513 completed nonpublic assistance cases we reviewed in California, 92 percent of the applications were denied or had authorizations to purchase issued within 30 days of the applicants' initial contacts with local food stamp offices.

Major portions of the processing time in California occurred between the interview and completion of verification. Another lengthy step was between approval of the application and issuance of the authorization to purchase stamps.

WHY PROCESSING TOOK AS LONG AS IT DID

Applicants' delay in furnishing supporting documents caused the longest delays in the cases we reviewed in California. California was developing new regulations on verification to reduce the amount of documentation needed and thus possibly reduce the amount of processing time for this step.

Other reasons for delays were the rescheduling of interviews for applicants' convenience and the fact that three of the counties did not issue authorizations to purchase stamps during the last week of the month. This cutoff was made primarily because the applicants would not receive the authorization in time to purchase stamps for that month. Additional

detail on reasons for delays is presented in tables C-13 through C-16; tables D-13 through D-16 present workload data for January to October 1975.

Monterey County welfare officials attributed their speed in processing food stamp applications to their efforts in instructing the community on how to apply for food stamps. Also, all of the completed cases we reviewed in Monterey were initiated in August 1975 when relatively few new applications were being submitted (see table D-15). Local officials said that during a busier month, a day or two might be added to the average processing time.

BENEFITS RESULTING FROM VERIFICATION

For each completed nonpublic assistance case we reviewed in the four projects, we attempted to determine whether verification of application information resulted in changes in the monthly bonus value of stamps to be issued. The results of this effort are summarized below for California and are presented in more detail in tables E-13 through E-16.

	Cases	Change in monthly bonus
Results determinable:		
Benefits to the Government	121	$4,793
Benefits to the recipient	51	1,164
Benefits unchanged	294	
Subtotal	466	
Results not determinable	47	
Total	513	

Verification of income caused the most changes in bonus dollars--60 of the 121 cases where the changes benefited the Government with $2,204 of the $4,793 of the changes and 34 of the 51 cases where the changes benefited the recipient with $927 of the $1,164 in bonus value changes. In those cases where verification results were not determinable, it was generally because the records did not include unverified information.

APPENDIX II

Survey of State and Local Welfare Administrators

THOMAS S. FOLEY, WASH.,
CHAIRMAN
W. R. POAGE, TEX.,
VICE CHAIRMAN
E DE LA GARZA, TEX.
JOSEPH P. VIGORITO, PA.
WALTER B. JONES, N.C.
ED JONES, TENN.
JOHN MELCHER, MONT.
DAWSON MATHIS, GA.
BOB BERGLAND, MINN.
GEORGE E. BROWN, JR., CALIF.
DAVID R. BOWEN, MISS.
CHARLES ROSE, N.C.
JERRY LITTON, MO.
JOHN BRECKINRIDGE, KY.
FREDERICK W. RICHMOND, N.Y.
RICHARD NOLAN, MINN.
JAMES WEAVER, OREG.
ALVIN BALDUS, WIS.
JOHN KREBS, CALIF.
TOM HARKIN, IOWA
JACK HIGHTOWER, TEX.
BERKLEY BEDELL, IOWA
MATTHEW F. MC HUGH, N.Y.
GLENN ENGLISH, OKLA.
FLOYD J. FITHIAN, IND.
JOHN W. JENRETTE, JR., S.C.
NORMAN E. D'AMOURS, N.H.

U.S. House of Representatives
Committee on Agriculture
Room 1301, Longworth House Office Building
Washington, D.C. 20515

WILLIAM C. WAMPLER, VA.,
RANKING MINORITY MEMBER
KEITH G. SEBELIUS, KANS.
PAUL FINDLEY, ILL.
CHARLES THONE, NEBR.
STEVEN D. SYMMS, IDAHO
JAMES P. JOHNSON, COLO.
EDWARD R. MADIGAN, ILL.
PETER A. PEYSER, N.Y.
MARGARET M. HECKLER, MASS.
JAMES M. JEFFORDS, VT.
RICHARD KELLY, FLA.
CHARLES E. GRASSLEY, IOWA
TOM HAGEDORN, MINN.
W. HENSON MOORE, LA.

FOWLER C. WEST,
STAFF DIRECTOR
ROBERT M. BOR,
HYDE H. MURRAY,
COUNSELS
JOHN R. KRAMER,
SPECIAL COUNSEL
L. T. EASLEY,
PRESS ASSISTANT

August 1, 1975

Dear :

The House Committee on Agriculture has started a comprehensive review of the Food Stamp Program. Crucial to the Committee's understanding of the program are the views of those directly involved in its administration. Accordingly, we have prepared the attached questionnaire in an effort to obtain the views of all State Welfare Administrators and a sample of local Welfare Administrators. The results will be summarized and the summary will be made available to the Committee for its consideration. We will also provide you with a copy of the summary.

The Questionnaire is designed to provide the opportunity for systematic analysis of the views of program administrators over a wide range of food stamp topics. Quite likely, however, there will be topics you consider important which have been excluded. Please feel free to supplement the questionnaire with any additional information you believe would be useful to the Committee. We are particularly interested in having any survey results or studies which you may have done and that remain relevant to current problems and procedures.

We would appreciate having the questionnaire returned as soon as possible, but no later than August 31, 1975. It should be addressed to:

Mr. James E. Springfield
House Committee on Agriculture
1301 Longworth House Office Building
Washington, D. C. 20515

If you have any questions, please call Mr. Springfield at 202-225-2171. Thank you for your cooperation.

Sincerely,

Thomas S. Foley
Chairman

(office use only)

Questionnaire #	_ _ _ _	1-4
card	1	5
region	_	6
state	_ _	7-8

FOOD STAMP QUESTIONNAIRE
for
STATE AND LOCAL ADMINISTRATORS
on
FOOD STAMPS

Objective -- The purpose of this questionnaire is to collect information from state and local administrators concerning the administration of the Food Stamp Program. It provides the opportunity for those directly involved in its administration to identify problems and suggest changes. It also asks for administrative cost information. The information contained on the returned questionnaires will be analyzed and reported to the House Committee on Agriculture for its use in considering possible legislative changes in the Program.

Directions -- Please respond on the basis of the operation of the program in the geographic area for which you are responsible.

A number of questions provide you the opportunity to explain your answer and to make recommendations for changes. If additional space is needed, please attach additional pages and identify by number the questions being answered. These explanations and recommendations will be given very careful consideration.

Please ignore the numbers on the far right-hand side of the page. They are there to assist in the machine processing of the replies.

Respondent Identification:

Name:

Title:

Office:

Address:

Telephone:

I. Certification, Issuance, Staffing and Program Size

A. Certification Offices--April, 1975

1. No. of full-time offices	_ _ _ _	9-12
2. No. of itinerant offices	_ _ _ _	13-16
3. No. of mobile units	_ _ _ _	17-20

B. Issuance Locations--April, 1975

1. No. of full-time locations	_ _ _ _	21-24
2. No. of itinerant locations	_ _ _ _	25-28
3. No. of mobile units	_ _ _ _	29-32

C. Issuance Arrangements--April, 1975

		Cost per Transaction:	
1. No. of Government Offices			
a. Manual Issuance (use of HIR cards)	_ _ _ _	_ . _ _	33-41
b. Machine Issuance (use of ATP cards)	_ _ _ _	_ . _ _	42-50
2. No. of Banks	_ _ _ _	_ . _ _	51-59
3. No. of Post Offices	_ _ _ _	_ . _ _	60-68

(2)

I. (Continued) Certification, Issuance, Staffing and Program Size

4. No. of other--specify: Cost per Transaction

_ a. _____ _ _ _ _ _ . _ _ 69-78

_ b. _____ _ _ _ _ _ . _ _ 2 2/5 6-15

_ c. _____ _ _ _ _ _ . _ _ 16-25

_ d. _____ _ _ _ _ _ . _ _ 26-35

D. No. of Eligibility Workers, April, 1975

1. NPA--full time _ _ _ _ 36-39

2. NPA--part time _ _ _ _ 40-43

E. Participation

1. April 1975 NPA _ _ _ _ _ _ _ 44-50

2. April 1975 PA _ _ _ _ _ _ _ 51-57

F. No. of people authorized to participate

1. April 1975 NPA _ _ _ _ _ _ _ 58-64

2. April 1975 PA _ _ _ _ _ _ _ 65-71

G. Bonus Value of Coupons (thousands of dollars) 3 3/5

1. April 1975 NPA _ _ _ _ _ 6-10

2. April 1975 PA _ _ _ _ _ 11-15

3. Federal Fiscal Year 1975 NPA _ _ _ _ _ _ 16-21

4. Federal Fiscal Year 1975 PA _ _ _ _ _ _ 22-27

H. Total Value of Coupons Issued (thousands of dollars)

1. April 1975 NPA _ _ _ _ _ 28-32

2. April 1975 PA _ _ _ _ _ 33-37

3. Federal Fiscal Year 1975 NPA _ _ _ _ _ _ 38-43

4. Federal Fiscal Year 1975 PA _ _ _ _ _ _ 44-49

II. In connection with the Administration of the Food Stamp Program, which, if any, of the following administrative procedures do you consider major problem areas? 4 4/5

A. Accountability for Cash and Coupons _____ _ _ 6-8

Explanation:

Recommended Change :

(3)

II. (Continued) In connection with the Administration of the Food Stamp Program, which, if any, of the following administrative procedures do you consider major problem areas?

B. Administrative Matching Funds _____ _ _ 9-11

Explanation:

Recommended Change :

C. Coupon Issuance _____ _ _ 12-14

Explanation:

Recommended Change :

D. Efficiency and Effectiveness (consider separate from Quality Control) _____ _ _ 15-17

Explanation:

Recommended Change :

E. Fair Hearings _____ _ _ 18-20

Explanation:

Recommended Change :

(4)

II. (Continued) In connection with the Administration of the Food Stamp Program, which, if any, of the following administrative procedures do you consider major problem areas?

F. NPA Certification _____ _ _ 21-23

Explanation:

Recommended Change :

G. NPA Recertification _____ _ _ 24-26

Explanation:

Recommended Change :

H. Outreach _____ _ _ 27-29

Explanation:

Recommended Change :

I. PA Certification _____ _ _ 30-32

Explanation:

Recommended Change :

(5)

II. (Continued) In connection with the Administration of the Food Stamp Program, which, if any, of the following administrative procedures do you consider major problem areas?

J. PA Recertification _____ _ _ 33-35

Explanation:

Recommended Change :

K. Quality Control _____ _ _ 36-38

Explanation:

Recommended Change :

L. Recipient Claims _____ _ _ 39-41

Explanation:

Recommended Change :

M. Retroactive Benefits _____ _ _ 42-44

Explanation:

Recommended Change :

(6)

II. (Continued) In connection with the Administration of the Food Stamp Program, which, if any, of the following administrative procedures do you consider major problem areas?

N. Work Registration _____ _ _ 45-47

Explanation:

Recommended Change :

O. Other--specify:

_ 1. _____ _ _ _ 48-50

Explanation:

Recommended Change :

_ 2. _____ _ _ _ 51-53

Explanation:

Recommended Change :

III. In connection with the income and resource determinations and verification, which, if any, of the following aspects do you consider major problem areas?

A. Gross Income _____ _ _ 54-56

Explanation:

Recommended Change :

(7)

III. (Continued) In connection with the income and resource determinations and verification, which, if any, of the following aspects do you consider major problem areas?

B. Income Deductions _____ __ 57-59

Explanation:

Recommended Change :

1. Shelter Costs _____ __ 60-62

Explanation:

Recommended Change :

2. Medical Expenses _____ __ 63-65

Explanation:

Recommended Change :

3. Child Care _____ __ 66-68

Explanation:

Recommended Change :

(8)

III. (Continued) In connection with the income and resource determinations and verification, which, if any, of the following aspects do you consider major problem areas?

4. Tuition and mandatory education fees _____ _ _ 69-71

Explanation:

Recommended Change :

5. Other—specify: _ _ _ 72-74

_ a. _____

Explanation:

Recommended Change :

_ b. _____ _ _ _ 75-77

Explanation:

Recommended Change :

C. Resource Determinations _____ _ _ 78-80

Explanation: 5 5/5

Recommended Change :

(9)

III. (Continued) In connection with the income and resource determinations and verification, which, if any, of the following aspects do you consider major problem areas?

D. Other--specify: _ _ _ 6-8

_ 1. _____

Explanation:

Recommended Change:

_ 2. _____ _ _ _ 9-11

Explanation:

Recommended Change:

IV. Categorical Eligibility

A. Administratively, categorical eligibility for PA households results in: (check only one and explain the basis for your judgment)

1. Significant savings _____ _ 12-13

Explanation:

2. Little or no savings _____ _ 14-15

Explanation:

3. Negative savings _____ _ 16-17

Explanation:

(10)

IV. (Continued) Categorical eligibility

B. Administratively, categorical eligibility for SSI households results in: (Check only one and explain the basis for your judgment)

1. Significant savings _____ _ 18-19

Explanation:

2. Little or no savings _____ _ 20-21

Explanation:

3. Negative savings _____ _ 22-23

Explanation:

V. The offer of public assistance withholding is mandated by law, but has not been implemented by USDA regulations. Should PAW be: (check only one)

A. Mandatory? _____ _ 24-25

Explanation:

B. State Option? _____ _ 26-27

Explanation:

C. Prohibited? _____ _ 28-29

Explanation:

VI. The Variable Purchase Option must now be available to all recipients. Should the variable purchase option be: (check only one)

A. Mandatory? _____ _ 30-31

Explanation:

(11)

VI. (Continued) The Variable Purchase Option must now be available to all recipients. Should the variable purchase option be: (check only one)

B. State Option? _____ _ 32-33

Explanation:

C. Prohibited? _____ _ 34-35

Explanation:

VII. Which, if any, of the following groups create special administrative problems?

A. Aliens _____ _ _ 36-38

Explanation:

Recommended Change :

B. Disabled _____ _ _ 39-41

Explanation:

Recommended Change :

C. Elderly _____ _ _ 42-44

Explanation:

Recommended Change :

(12)

VII. (Continued) Which, if any, of the following groups create special administrative problems?

D. Indians _____ _ _ 45-47

Explanation:

Recommended Change :

E. Migrants _____ _ _ 48-50

Explanation:

Recommended Change :

F. Military _____ _ _ 51-53

Explanation:

Recommended Change :

G. Strikers _____ _ _ 54-56

Explanation:

Recommended Change :

(13)

VII. (Continued) Which, if any, of the following groups create special administrative problems?

H. Students _____ _ _ 57-59

Explanation:

Recommended Change :

I. Other--specify:

_ 1. _____ _ _ _ 60-62

Explanation:

Recommended Change :

_ 2. _____ _ _ _ 63-65

Explanation:

Recommended Change :

(14)

VIII. Outreach -- On the basis of experience in your area, please indicate which outreach techniques have proved effective and ineffective and explain the basis for your assessment.

	Effective	Ineffective	No Experience	
	(circle appropriate number)			
A. Information distributed at grocers	1	2	3	66
Explanation:				_ 67
B. Information distributed to community groups	1	2	3	68
Explanation:				_ 69
C. Information distributed to other groups (list groups)				
_ 1. _____	1	2	3	70
Explanation:				_ _ 71-72
_ 2. _____	1	2	3	73
Explanation:				_ _ 74-75
_ 3. _____	1	2	3	76
Explanation:				_ _ 77-78
D. Door-to-door Campaigns	1	2	3	79
Explanation:				_ 80

(15)

VIII. (Continued) Outreach--effective and ineffective techniques.

	Effective	Ineffective	No Experience	6 6/5
E. Press releases	1	2	3	6
Explanation:				_ 7
F. TV and/or radio spots	1	2	3	8
Explanation:				_ 9
G. Telephone Campaigns (hot line)	1	2	3	10
Explanation:				_ 11
H. Other--specify:				
_ 1. _____	1	2	3	12
Explanation:				_ _ 13-14
_ 2. _____	1	2	3	15
Explanation:				_ _ 16-17
_ 3. _____	1	2	3	18
Explanation:				_ _ 19-20

(16)

IX. Please provide as much of the following cost data as is possible. While some of the data may not be available in all categories, it will be very helpful to have the information in this format to the extent possible.

A. Administrative Costs Matched by USDA
(In thousands of dollars)

	FY 1974	FY 1975	
1. Total Costs			
a. State and Local Share	_ _ _ _ _	_ _ _ _ _	21-30
b. USDA Share	_ _ _ _ _	_ _ _ _ _	31-40
2. Issuance	_ _ _ _	_ _ _ _	41-48
3. NPA Certification	_ _ _ _	_ _ _ _	49-56
4. Outreach	_ _ _ _	_ _ _ _	57-64
5. Fair Hearings	_ _ _ _	_ _ _ _	65-72
6. Quality Control	_ _ _ _	_ _ _ _	73-80
7. Data Processing	_ _ _ _	_ _ _ _	7 7/5 6-13
8. Other Administrative	_ _ _ _	_ _ _ _	14-21
9. Fraud Investigations and Prosecutions	_ _ _ _	_ _ _ _	22-29
10. Other--specify:			
_ a. _____	_ _ _ _	_ _ _ _	_ 30-38
_ b. _____	_ _ _ _	_ _ _ _	_ 39-47
_ c. _____	_ _ _ _	_ _ _ _	_ 48-56
11. Issuance Cost per transaction	_ . _ _	_ . _ _	57-64

B. PA Certification Cost Matched by DHEW

	FY 1974	FY 1975	
1. Total Costs			
a. State and Local Share	_ _ _ _ _	_ _ _ _ _	65-74
b. DHEW Share	_ _ _ _ _	_ _ _ _ _	8 8/5 6-15

X. Please identify up to five of what you consider to be the most serious administrative problems in the Food Stamp Program, from the most serious to the least serious. These problems may repeat problems already noted above. Briefly explain your reasons for ranking the problems as you do, including any available data substantiating your views.

A. Identification: (most serious) _ _ 16-17

Explanation:

B. Identification: _ _ 18-19

Explanation:

(17)

X. (Continued) Identify up to five serious administrative problems.

C. Identification: __ __ 20-21

Explanation:

D. Identification: __ __ 22-23

Explanation:

E. Identification: (less serious) __ __ 24-25

Explanation:

XI. Please identify up to five administrative aspects of the program that you consider most satisfactory and rank them from A. to E below. Briefly explain your reasons for ranking the listing as you do, including any available data substantiating your views.

A. Identification: (most satisfactory) __ __ 26-27

Explanation:

B. Identification: __ __ 28-29

Explanation:

C. Identification: __ __ 30-31

Explanation:

D. Identification: __ __ 32-33

Explanation:

(18)

XI. (Continued) Rank five administrative aspects of the program that you consider most satisfactory from A to E.

E. Identification: (less satisfactory) __ __ 34-35

Explanation:

XII. In connection with illegal program abuse, which, if any, of the following do you consider major problem areas?

A. Alteration of ATP Cards _____ __ __ 36-38

Explanation:

Recommended Change :

B. Black Marketing _____ __ __ 39-41

Explanation:

Recommended Changes:

C. Counterfeiting _____ __ __ 42-44

Explanation:

Recommended Change:

(19)

XII. (Continued) In connection with illegal program abuse, which, if any, of the following do you consider major problem areas?

D. Eligibility Worker Fraud _____ __ 45-47

Explanation:

Recommended Change :

E. Issuance Worker Fraud _____ __ 48-50

Explanation:

Recommended Change :

F. Mail Thefts of Household Allotments _____ __ 51-53

Explanation:

Recommended Change :

G. Purchase requirement loans to recipients by retail store owners/operators _____ __ 54-56

Explanation:

Recommended Change :

(20)

XII. (Continued) In connection with illegal program abuse, which, if any, of the following do you consider major problem areas?

H. Recipient Certification Fraud _____ _ _ 57-59

Explanation:

Recommended Change :

I. Thefts of ATP Cards _____ _ _ 60-62

Explanation:

Recommended Change :

J. Thefts of Bulk Coupons _____ _ _ 63-65

Explanation:

Recommended Change :

K. Other--specify _ _ _ 66-68

_ 1. _____

Explanation:

Recommended Change :

(21)

XII. (Continued) In connection with illegal program abuse, which, if any, of the following do you consider major problem areas?

K. (Continued) Other--specify:

_ 2. _____ ___ 69-71

Explanation:

Recommended Change :

Thank you very much for your time.

Please return to:

Mr. James E. Springfield
House Committee on Agriculture
1301 Longworth House Office Building
Washington, D.C. 20515

If you have questions, please call Mr. Springfield at 202-225-2171.

SURVEY OF STATE AND LOCAL ADMINISTRATORS

ON FOOD STAMPS

HOUSE COMMITTEE ON AGRICULTURE -- FEBRUARY 25, 1976

The purpose of the questionnaire was to collect information from the State and local administrators concerning the administration of the Food Stamp Program. It provided the opportunity for those directly involved in its administration to identify problems and suggest changes.

Questionnaires were sent to all States plus the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. Out of 54 questionnaires sent, 48 were returned. Responses were not received from Arkansas, Maine, New York, South Dakota, the District of Columbia and Guam.

Questionnaires were sent to a randomly selected sample of 503 local administrators. Responses were received from 382.

As far as the Committee is aware, this represents the first effort to obtain systematically the views of those State and local people directly involved in program administration. The information provided by program administrators should prove to be of significant value to the Congress as it considers proposed Food Stamp legislation.

I. Identification of Administrative Problems

Local and State administrators were asked to indicate which administrative procedures they considered major problem areas and to explain the problems and recommend solutions. Listed on the questionnaire were Accountability for Cash and Coupons; Administrative Matching Funds; Coupon Issuance; Efficiency and Effectiveness; Fair Hearings; Non-Public Assistance (NPA) Certification; NPA Recertification; Outreach; Public Assistance (PA) Certification; PA Recertification: Quality Control; Recipient Claims; Retroactive Benefits; and Work Registration.

The administrative procedures most frequently considered major problem areas by the States were Work Regisration; NPA Certification; Quality Control; NPA Recertification; and PA Certification. Listed most frequently by the local administrators were Work Registration; NPA Certification; Outreach; Quality Control and NPA Recertification.

STATES	Number	Percent	LOCAL	Number	Percent
Work Registration	42	88%	Work Registration	220	58%
NPA Certification	36	75%	NPA Certification	189	50%
NPA Recertification	36	75%	Outreach	182	48%
PA Certification	36	75%	Quality Control	180	47%
Quality Control	36	75%	NPA Recertification	174	46%
Coupon Issuance	30	63%	PA Certification	153	40%
Recipient Claims	30	63%	PA Recertification	123	32%
Efficiency and Effectiveness	29	60%	Coupon Issuance	104	27%
Accountability for Cash and Coupons	25	52%	Administrative Matching Funds	94	25%
Outreach	25	52%	Recipient Claims	60	16%
PA Recertification	25	52%	Retroactive Benefits	59	15%
Administrative Matching Funds	21	44%	Accountability for Cash and Coupons	35	9%
Fair Hearings	12	25%	Efficiency and Effectiveness	27	7%

A. Work Registration

In order for a household to be eligible for food stamps, all able bodied members between the ages of 18 and 65 (with certain exceptions) who are not employed at least 30 hours a week or attending school at least half time must register for and accept suitable employment. The recipient registers for work at the food stamp office, and the registration is then forwarded to the local Employment Service office. Those registered must cooperate with the Employment Service, and the Employment Service in turn reports back to the food stamp office regarding any action taken, such as employment secured or refused by the recipients. There are certain standards of suitability, including payment of the minimum wage, which must be met by any job offered to the recipient. Refusal to register for work or to accept suitable employment is cause for the household's becoming ineligible for food stamps for one year.

The most common complaint about the work registration procedure was the apparent lack of results; respondents viewed the time and paperwork involved in meeting this requirement as nonproductive. Criticism was often focused on a lack of follow-up on the part of the Employment Service in terms of procuring jobs for recipients or reporting back to the food stamp office. References were made to incidences of high unemployment and lay-offs as contributing to this problem. Recommended were the provision of better service by the Employment offices, including more timely reporting, or the waiving of work registration requirements in areas of high unemployment. A less frequently noted but similar complaint of ineffectiveness cited laxity in the work registration requirements: inadequate mechanisms for enforcing active follow-up by the recipient or for preventing those who are voluntarily unemployed from being certified in the first place. Recommended were a "tightening up" of program requirements, such as mandating that the recipient provide evidence of an active job search or modifying the job suitability provision. A few recommended that mothers with children over 6 not be exempted.

Two other major areas of concern were the requirement that those up to the age of 65 be registered, including those already receiving retirement benefits, and the duplication of effort that occurs when those already registered for work under WIN, UCB, or other employment programs must be re-registered at the food stamp offices. In regard to the age limit, there was disagreement as to what it should be -- 50, 55, 60, 62, or upon retirement -- but sentiment was strong that to register those above the suggested lower age limit was senseless. In regard to the problem of duplication, it was suggested by some that one form be developed for all programs or that proof of registration with any employment program suffice for food stamp purposes.

B. NPA Certification

The food stamp certification process, as detailed in the rules and regulations of USDA's Food Stamp Certification Handbook, calls for the elibility worker to determine the eligibility and basis of issuance of applicant households. The application process includes the filling of a lengthy written application, an interview with the eligibility worker and some degree of verification of the information given. Each State's certification procedures must be approved by the USDA Food and Nutrition Service so that the process is administered according to uniform national standards.

Responses speaking to the complexity of the certification process were prominent. The calculations required to determine net income for food stamp purposes and other components of eligibility determination were cited in this regard. The application forms were criticized as too long, cumbersome, and inefficient. Recommended were changes in the direction of simplifying and standardizing the certification process; emphasized were the replacement of the current itemized deductions and the streamlining of application forms. A few felt use of prior rather than anticipated income would facilitate certification.

A myriad of other problems were cited in connection with the NPA certification process: lack of staff to do an adequate job; unclear and inconsistent interpretation of policy on the State and Federal level; difficulties posed by so-called special groups (migrants, students, the self-employed, etc.); recipient misunderstandings as to their responsibilities and verification requirements; short certification periods; inconsistencies with PA eligibility standards; and excessively high income and resource standards. Recommendations included utilization of more and better trained staff; certification for longer periods of time; more extensive verification of household circumstances; and the introduction of a gross income limit.

C. Quality Control

The Food Stamp Quality Control Program is administered by USDA and carried out by the States. A random sample of non-assistance households is selected by each State and all elements of eligibility are verified to establish that those who are receiving food stamps are (or are not) legally eligible to receive them, are receiving the correct coupon allotment, and are paying the correct amount for them. USDA publishes the results of Quality Control studies on a semi-annual basis.

The theme running throughout the comments on Quality Control was that the procedures and policies of the program result in a distorted and inflated error rate. The eligibility worker must anticipate a household's income and expenses and need not verify every aspect of the household's circumstances, in line with the "prudent person" concept under which the worker is granted the exercise of his reasonable judgment. Quality Control reviewers, on the other hand, perform in-depth and complete verification subsequent to the household's certification. Many administrators argued that the resultant errors uncovered by Quality Control were procedurally built in rather than reflective of the quality of work being performed in the food stamp offices. Recommended was the confinement of Quality Control reviews to the same time frame of the certifying officer -- i.e., checking for errors made at the time of certification, or at least within the initial certification period. Many suggested that, in general, Quality Control and Food Stamp regulations be made to conform and that matters of conflicting policy interpretation be clarified beforehand. Another common complaint concerned the reporting of technical, procedural errors such as missing signatures or missing forms, which were felt to be of a less serious nature than errors clearly resulting in a dollar loss. Recommended was greater concentration on the latter type of error.

Also cited were: that Quality Control does not distinguish between client-caused and agency-caused errors for purposes of reporting and imposing fiscal sanctions; that the current error tolerance levels (3% for eligibility and 5% for basis of issuance) are unrealistic; and that there is a lack of direct consultation and feedback between Q.C. reviewers and eligibilty workers. Recommended, respectively, were a careful delineation between the two types of errors; an empirically-

based revision of the tolerance levels; and substantive consultations and feedback between reviewers and certifiers.

D. NPA Recertification

Under USDA certification regulations, a household's eligibility is established for a finite period, generally one, three or six months. Further entitlement to food stamps cannot be established without application by the household, an interview, verification, and recertification of eligibility by the food stamp agency.

Those who identified this procedure as a major problem area questioned the need for performing a completely new determination of eligibility at each recertification. Especially cited were the time and repetitive paperwork involved in completing the certification forms and verifying basic information about household circumstances. The number of single month certifications was felt to contribute to the problem. As an alternative, administrators suggested implementation of a shorter recertification form, utilizing a "checklist" approach which would note in detail only those items which changed. Some suggested that the full certification process continue to be mandated, but less frequently than at present.

Another problem cited was that recertification could not always be completed prior to the end of the household's certification period, and a more flexible recertification schedule was recommended. It should be noted that a good number of those who responded to NPA Recertification as a problem referred to the problem(s) they cited under NPA Certification as applicable to recertification as well (such as the complexity of the process, staff shortage, et.al.).

E. PA Certification

Under current food stamp law, households in which all members receive public assistance are automatically eligible for food stamp assistance. However, such households still must be certified by a food stamp eligibility worker and their basis of issuance calculated according to USDA regulations regarding treatment of income and deductible expenses, household composition, and resources.

The necessity for this separate determination and the use of different standards, policy regulations, and certification periods in the public assistance and food stamp programs were cited in most cases by those who considered PA Certification a major problem area. Administrators pointed to agency and client confusion, addition time for re-calculations, and unnecessary errors as symptomatic of what were often termed program inconsistencies. Some others saw the automatic eligibility of PA households as inequitable to non-assistance households. Recommendations spoke to the need for some type of a single set of eligibility standards, or at least a single set of forms for both programs. A number specified that PA households should not be categorically eligible and that their eligiblity for food stamps be

determined solely according to food stamp regulations; a smaller number specified that food stamp standards should be made consistent with HEW public assistance standards; some suggested that the purchase requirement for PA households be standardized; many others did not indicate in what manner the PA and food stamp criteria should be made to conform. Also recommended was a general strengthening of communication and coordination between USDA and HEW, and between food stamp and public assistance workers.

In addition, it should be noted that a good number of administrators who denoted PA Certification as a problem referred for their explanation to the problems cited under NPA Certification. They felt that such problems as program complexity and staff shortages applied to both NPA and PA cases.

F. Outreach

Each State agency is required by the Food Stamp Act to "undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low-income households concerning the availability and benefits of the Food Stamp Program and insure the participation of eligible households." The recent Bennet v. Butz court decision mandated implementation of more extensive outreach activity than the court found to exist. Pursuant to this order, State agencies have been required to submit comprehensive outreach plans to the Secretary of Agriculture.

Administrators expressed their concern that the mandated increase in outreach imposed an unreasonable administrative burden on the State and local food stamp operations. Alluded to were the large expenditures required; the pressure to extend outreach to include recipient service activities; the lack of available staff; the frequent and detailed reporting requirements; the difficulty local offices would have in handling any increases in applications; and the impossibility of ever "insuring" participation by all eligible persons. Administrators questioned the need for extensive outreach, arguing that public awareness of the program is high; they also questioned the efficacy of outreach in increasing participation by the needy. Another group of responses pointed to negative attitudes toward outreach on the part of county agencies, State legislatures, and the general public. Some administrators voiced their support of the outreach concept but complained of a lack of staff, time, and money to do an adequate job.

As regards recommendations, there was strong sentiment in two major directions: that outreach responsibilities be placed on a State or federal level* and that the present legal requirement be modified. As to the former, it was recommended that the cost of outeach activities, such as additional staff, be borne by the States or USDA* -- either entirely or to a greater extent than at present, or that all outreach activity be carried out at these levels. Regarding the latter, it was suggested that the present statute be modified or

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* Local Administrators suggested both State and/or USDA; States suggested USDA.

even deleted; that the States and local agencies be granted greater flexibility in the extent and type of outreach; that areas with a high percentage of participation be exempted; and that reporting requirements be moderated.

Other recommendations included the implementation of nutrition education ("Inreach") in addition to or instead of outreach; the hiring of more staff on the local level to better implement the outreach program; and the improvement of the food stamp program's public relations in general.

II. INCOME AND RESOURCE DETERMINATIONS AND VERIFICATION

Program administrators were asked to identify problems specifically related to the determination and verification of income and resources. Three major potential problem areas were listed: gross income, income deductions, and resource determinations. Under "income deductions" were enumerated: shelter costs, medical expenses, child care, and tuition and mandatory education fees.

The number and percentage of State and local administrators indicating each of these as major problems is as follows:

State Administrators	Number	Percent
Income Deductions	39	81%
Shelter Costs Deduction	32	67%
Medical Expenses Deduction	28	58%
Resource determinations	25	52%
Gross Income	25	52%
Tuition and Mandatory Education Fees Deduction	24	50%
Child Care Deduction	17	35%

Local Administrators	Number	Percent
Medical Expense Deduction	186	49%
Shelter Costs Deduction	184	48%
Gross Income Determination	181	47%
Income Deductions	158	41%
Resource Determinations	152	40%
Tuition and Mandatory Education Fees Deduction	101	26%
Child Care Deduction	52	14%

A. Income Deductions

Since the broad category of income deductions was so frequently cited as a problem, it was felt to be of interest to elaborate on all four of the particular itemized deductions listed.

Under current regulations, the following expenses can be deducted from a household's gross income: Ten percent of earned income or training allowance not to exceed $30 per household per month; mandatory income deductions such as income taxes, social security payments, and mandatory union dues; medical costs if more than $10 per month, payments for child care when necessary to the employment of a household member; tuition and mandatory education fees (exclusive of books, supplies, transportation, and the like); unusual disaster or casualty expenses; court-ordered support and alimony payments; and shelter costs which are more than 30 percent of household income as calculated after all other deductions. Shelter costs include utilities, rent, mortgage payments and interest, and real estate taxes.

Administrators indicated that they felt the entire income deduction process to be too time-consuming, too complex for both worker and client, and too error-prone. The required verification of multiple deductions was cited by some as problematic. Other respondents criticized what they perceived as a program inequity in that higher income households were better able to take advantage of the allowable deductions than were poorest households. The difference between calculations of income deductions in food stamp and public assistance programs was cited, as was the difficulty inherent in attempting to anticipate expenses. Some respondents addressed themselves to the work expense deduction in particular, arguing that this deduction was unrealistically low.

Use of some sort of standard deduction was most frequently recommended as a solution; a few specified that the deduction should be based on household size, that it be regionally adjusted, or that some additional deductions be allowed over and above the standard one. A smaller number recommended that no deductions from gross income be allowed for food stamp purposes. Consistency between the food stamp and public assistance programs' treatment of income deductions was recommended by those focusing on this aspect of the problem. An increase in the allowable deduction for work expenses (e.g., to 15% of salary or up to $40 or $45) was suggested by those addressing themselves to this particular deduction.

Shelter Costs Deduction

Difficulties in accurate determination and verification of shelter costs were cited by administrators. The computations involved were said to be time-consuming and error-prone; seasonal fluctuations in fuel and utility expenses were said to necessitate many changes in basis of issuance; clients were said to be negligent in bringing in receipts for verification purposes. Another common criticism cited this deduction as inequitable, because higher income households or those living "above their means" are able to take better advantage of it than the very poor, the elderly living in fully-owned homes, and others living within their means.

Most frequently recommended was implementation of some sort of a standard deduction. A few specified that there be a utility standard, seasonally adjusted; that the standard be regionally adjusted, or adjusted according to family size; or that households be allowed to take more than the standard deduction if their actual expenses are verifiable. Also suggested was utilization of the average or prior months' expenses in determining the shelter deduction; the inclusion of all shelter costs, not just 30%, in the deduction; and the establishment of a maximum dollar figure allowable as a shelter deduction.

Medical Expenses Deduction

Widely shared among respondents was the judgment that medical expenses are impossible to anticipate. Unexpected illnesses or medical needs arise during the certification periods, and this was said to cause a disservice to the recipient when it was not possible to readjust the purchase requirement and to cause excess work for staff when such changes were made. Also cited by a number of administrators was the $10 minimum expense provision which was felt to penalize the client and to complicate procedure.

Recommended were: utilization of a standard deduction (some suggested an option for additional individual deductions if verifiable); use of prior or averaged medical expenses to determine the allowable deduction; or allowing for unanticipated medical expenses to be deducted at the next certification period. Those criticizing the $10 minimum recommended that all medical expenses be deductible. Also recommended in some cases was more complete verification of medical expenses. A few recommended elimination of this deduction.

10-

Tuition and Mandatory Fees Deduction

Administrators frequently criticized the fact that as it now stands, books, laboratory fees, and other necessary educational expenses are not included in the tuition and educational fees deduction. Others questioned the policy of subsidizing students, or of subsidizing parents who send their children to private schools (particularly at the primary and secondary level). The policy and regulation regarding treatment of these deductions was felt by some to be difficult to interpret, and complex and cumbersome to implement.

Those who commented on the non-deductible expenses (e.g., books and lab fees) recommended that such necessary educational expenses be allowed as deductions. Those questioning the policy itself recommended that the deduction be eliminated; that it be restricted to post secondary education; or that a standard amount or no more than a maximum amount be given as a deduction for those with educational expenses. Also recommended was development of a better and simpler method of verifying expenses through the institution being attended.

Child Care Deduction

Administrators mentioned the following as problematic aspects of this deduction: the facility with which receipts and expenses may be falsified; the restriction of the deduction to working parents only; inconsistencies between PA and FS treatment of this expense; difficulties in verification; and the time-consuming nature of the necessary calculations.

Recommended were: allowance of a standard deduction in situations where child care is needed; allowance of this deduction for parents in school, for disabled parents, or for parents of disturbed or handicapped children; consistency between treatment in PA and FS programs; and the elimination of the deduction.

B. Gross Income Determinations

For food stamp purposes, income is considered wages; public assistance, retirement, disability, and veteran's benefits; workmen's or unemployment compensation; pensions; strike benefits; scholarships and educational grants; dividends and interest; and most other payments from any source which may be considered a gain or a benefit. Excluded from consideration as income are the earnings of a child; irregular income less than $30 over a three-month period; in-kind payments except employer-provided shelter; medical vendor payments; loans; payments received from Domestic Volunteer Service programs and the WIC program; and non-recurring lump sum benefits (the latter are treated as a resource).

The income considered is that anticipated by the household over the period of certification. USDA regulations specify that income must be verified; in many cases this may consist of verifying and documenting past income which may reasonably be expected to continue during future months of participation.

Many administrators pointed to the difficulties encountered in attempting to anticipate the income of food stamp households. Of these, some indicated that not all households, but only those experiencing or likely to be experiencing fluctuations in income posed this problem. Problems in the accurate determination and verification of self-employed households were frequently cited, as were problems in verification of non-earned income such as social security, unemployment, and veterans' benefits.

Some administrators mentioned as problematic the calculations necessary to determine gross income, which may involve converting weekly, annual or irregular salaries to a monthly basis, or other complications. The inclusion of training allowances and of certain vendor payments (such as HUD housing subsidies) in household gross income was criticized by some as penalizing needy households. Others stated that there was too high an income limit; criticized the absence of a gross income limit; or suggested that some recipients underreport their income.

The introduction of a gross income limit was recommended by some, as was the use of prior income. Among those advocating the latter, some suggested that documentable anticipated changes in income be considered as well. Those concerned with the inclusion of training allowances and vendor payments recommended that these be disregarded when determining household income. Regarding problems in verification, some administrators suggested better coordination with government agencies such as the Social Security Administration, IRS, and the Veterans' Administration, while others emphasized the need for greater client responsibility in providing information and verification.

C. Resource Determinations

Each household is allowed up to $1500 in resources and still may qualify for food stamps. Those households of two or more persons with one or more members age 60 or over may have up to $3000 in resources. Resources are defined by regulation to include liquid assets such as cash on hand or in a bank; U.S Savings Bonds; stocks and bonds; and such non-liquid assets as buildings, land, and certain real or personal property. Excluded from consideration as resources in determining food stamp eligibility are home and lot normal to the community; one licensed vehicle and any other vehicles needed for purposes of employment; life insurance policies; real estate producing income consistent with its fair market value; and equipment necessary for farming or other income producing work.

Verification of nonexempt resources is only required at the eligibility worker's discretion, according to USDA regulations.

Specific complaints and critiques of resource determination procedures were myriad and complex. Most frequently cited were the difficulties and complexities experienced by administrators in interpreting and implementing policy. Difficulties were cited in the valuation of nonexempt resources; the determination of exempt vs. nonexempt property; the interpretation of the phrase "house and lot normal to the community"; the handling of inaccessible or nonliquid resources; and the verification of resources.

Other groups of respondents indicated that the current regulations seemed to them too restrictive. Some felt that the $1500 limit ($3000 for elderly) on non-exempt resources was too low; others cited instances in which a family in possession of non-productive acreage or trying to dispose of non-exempt resources at market value was ineligible for food stamps.

Others, however, voiced a concern that the current regulations are not restrictive enough. These respondents criticized some of the allowable exemptions, such as income-producing property, expensive vehicles, and more than one vehicle per household, and felt that resources were being undervalued.

Finally, some cited as a major problem inconsistencies in the treatment of resources between the food stamp and public assistance program. Recommended by those concerned with the difficulties and complexities of the resource determination process were: a USDA review of current policy; development of clear and firm guidelines; and clarification of particularly troublesome procedures. Those perceiving current resource regulations as too restrictive recommended increasing the resource limitation for all households (e.g., to $3000 for non-elderly and $5000 for elderly) or for only elderly or only non-elderly households; disregarding resources for sale at fair market value or allowing time for disposal of excess resources; or exempting inaccessible or non-productive property. Those calling for a tightening up of resource regulations suggested a value limit on real property; a tightening of regulations regarding transfer of resources for purposes of qualifying for food stamps; or a more thorough verification process, such as use of tax records. Of those citing Food Stamp-Public Assistance inconsistencies, some proposed that food stamp resource standards be made to conform with AFDC/SSI standards, while others recommended consistency between these programs' regulations without elaborating on the form this consistency might take.

III. Categorical Eligibility

A. Households in which all members are receiving cash welfare assistance payments are eligible for food stamps without regard to income and resource eligibility standards. State and local administrators were asked, from an administrative standpoint, whether or not "categorical" eligibility results in significant administrative savings, little savings, or negative savings. The results from *State administrators are indicated below.

Administratively, Categorical eligibility for PA households results in:

	Number	**Percentage
Significant Savings	15	31%
Little or no Savings	20	42%
Negative Savings	10	21%
No Response	3	6%

In general, the 31% who indicated that there were significant savings suggested that there were savings because much of the work of eligibility determination has been done for this category of households. Most verifications have previously been made in the determination of eligibility for welfare assistance.

42% of the responses indicated that there were little or no savings. Administrators said that the eligibility worker has to go through basically the same procedures for PA or non-PA; he is still required to determine the food stamp basis of issuance instead of using public assistance income determination.

Negative savings were stated by 21% of the respondents. Among the reasons given were that double eligibility determinations still have to be made, the present food stamp income determination procedures are contrary to the PA budgeting procedures, the PA worker must learn both systems, and the entire process generates excessive paper shuffling.

B. In all except the four States which include the bonus value of food stamps in their cash State supplemental payments, households in which all members receive cash assistance under the SSI program are automatically or "categorically" eligible for participation in the Food Stamp program. Administrators were asked: does this categorical eligibility result in significant or little savings, or does this result in additional administrative cost?

NOTE* The patterns of response among local administrators was relatively comparable to patterns among States. However, we have not shown those results because it is readily apparent that there was widespread misinterpretation of the question by local administrators to mean savings to individual recipients rather than administrative savings.
** Percentage totals, here and elsewhere, may not equal 100 due to rounding.

According to respondents, Categorical Eligibility for SSI Households results in:

	Number	Percent
Significant Savings	8	17%
Little or No Savings	25	52%
Negative Savings	9	19%
No Response	6	13%

17% of State administrators indicated that there were significant savings, generally because verification requirements are less for these households.

The most frequent response from State administrators (52%) was that there are little or no administrative savings resulting from categorical eligibility. They expressed the view that the time and cost involved in eligibility interviews, verifications, and certifications is about the same as for other households.

State administrators who indicated a negative saving (19%) mainly cited the extensive basis of issuance work required and the administratively costly application procedures.

IV. Public Assistance Withholding

The current law mandates the availability of public assistance withholding in all States.* Under this provision the State must offer to any household participating in the program the option of having the cost of its full monthly food stamp coupon allotment deducted from any grant or payment that household is entitled to receive under Title IV of the Social Security Act, and have the coupon allotment distributed to it.

The offer of Public Assistance Withholding is mandated by law, but has not been implemented by USDA regulations. Administrators were asked: should implementation of PAW be mandatory (i.e., should States be required to offer PAW); should implementation be a State option (i.e., should States be allowed to decide whether or not they will offer PAW); or should PAW be prohibited (i.e., should States be prohibited from offering PAW)?

	State		Local	
	Number	Percent	Number	Percent
Mandatory	3	6%	52	14%
State Option	41	85%	155	41%
Prohibited	2	4%	100	26%
No Response	2	4%	75	19%

6% of State administrators felt this requirement should be mandatory; however, they generally recognized the difficulty in administering it.

*NOTE PL 94-182 extended the implementation date of this provision until October 1, 1976.

particularly since many local counties lack adequate facilities. 14% of local respondents supported a mandatory requirement and pointed out that public assistance withholding provides easier access to food stamps particularly for rural participants. They indicated there is less of a problem to clients in budgeting for stamps as the purchase price is already deducted from the welfare check. As a rule, the local administrators tended to interpret this question from the recipient's point of view and their answers tended to reflect these concerns.

A State option to offer PAW was overwhelmingly favored by State administrators. A concern about the possibility of mail theft in all or some localities appeared frequently in these responses. State administrators also observed that not all States share the capability of an integrated computer system for public assistance and food stamps, a capability said to be necessary for PAW implementation. The need to take into account other variances in administrative systems was also cited. The local administrators also favored a State option (41%). They expressed concern over mail theft and spoke of difficulties in implementation because there are two different agencies administering the two different programs with resulting difficulty in coordination.

Only 4% of State administrators wished to prohibit PAW. Among the reasons given were that present local option mail issuance systems effectively meet the recipient's need for postal delivery and that administration of PAW is complex, time-consuming, and costly. 26% of local administrators felt that the offer of this option should be prohibited. Again, the problem of mail delivery of negotiable food coupons was mentioned, as was the feeling that PAW creates more dependence on "the system", whereas clients should be encouraged to rely on themselves and act independently.

V. The Variable Purchase Option permits households to purchase three-quarters, one-half, or one-quarter of their total monthly coupon allotments.

The variable purchase option must now be available to all recipients. Administrators were asked whether the variable purchase option should be mandatory (i.e., should States be required to offer it); a State option (i.e., should States be allowed to decide whether or not they will offer it); or prohibited (i.e., should States be prohibited from offering it)?

	State		Local	
	Number	Percent	Number	Percent
Mandatory	14	29%	193	51%
State Option	21	44%	107	28%
Prohibited	9	19%	33	9%
No Response	4	8%	49	12%

29% of State administrators indicated their support for a mandatory offer of the variable purchase option. Generally they felt that

this option provides the greatest service to recipients at a minimal cost, allowing individuals to participate in the program when total coupon purchase money is not available. Slightly over half, 51%, of the local administrators prefer continuing the present mandatory offer. Many of their recipients use the variable purchase option, and they did not want the State agency to have the option of denying this opportunity to clients. Comments reflected a concern with the service provided to clients by this option and with the possibility that some households would be unable to afford their stamps without it.

The offer of the variable purchase at a State's option was the preference of 44% of State administrators. They stated that a very small percent of the caseload uses the variable purchase option, and that therefore it is very costly relative to benefits. The choice, felt these respondents, should be exercised by the responsible State agency, taking into consideration both the benefits to the food stamp participants and the cost to the State relative to other priorities. 28% of local administrators preferred this optional approach. Their comments generally agreed with State administrators in that the variable purchase option was seen as good for a small percentage of recipients but costly to the administering agency.

Of the State administrators, 19% felt that the offer of the variable purchase option should be prohibited, as did 9% of local administrators. In addition to the criticisms that only a small percent of clients use this option, and that to offer it further complicates the process, one of the most frequently voiced was that the variable purchase option defeats the purpose of the Food Stamp program because it allows households to obtain less than the coupon allotment required for a nutritionally adequate diet.

VI. Special Groups

Administrators were asked: "Which, if any, of the following groups create special administrative problems?" Listed were -- aliens, the disabled, the elderly, Indians, migrants, military, strikers, and students. Most frequently identified by the State administrators were students and by local administrators were strikers.

	State			Local	
	Number	Percent		Number	Percent
Students	33	68%	Strikers	152	40%
Strikers	27	56%	Students	123	32%
Migrants	23	48%	Elderly	94	25%
Elderly	15	31%	Migrants	86	23%
Disabled	11	23%	Disabled	56	15%
Aliens	8	17%	Aliens	27	7%
Indians	8	17%	Military	18	5%
Military	6	13%	Indians	17	5%

Under current regulations, as mandated by law, a student who is 18 years of age or older and enrolled in an institution of higher education is required to meet the tax dependency criteria for eligibility in addition to all other financial and nonfinancial eligibility criteria established for the food stamp program. Such a student is himself ineligible if he is properly claimed as a tax dependent by an ineligible parental or guardian household.

A. Students

The complexity of the tax dependency criteria was singled out as a major concern of the administrators. This procedure was widely viewed as an additional administrative burden associated with this group of applicants. Frequently noted as well were difficulties in accurate determination of student eligibility and basis of issuance. In this regard were mentioned (1) the special calculations necessitated by students' multiple income sources and uneven cash flow (e.g., scholarships, loans, and tuition, all prorated over the school year); and (2) difficulties in accurately determining household composition of student applicants (i.e., applying the economic unit concept to unconventional living arrangements). Other less frequent responses spoke to a negative public reaction to student use of food stamps; a feeling on the part of the administrators that students are voluntarily unemployed and should not be subsidized by this program; and a concern with the ability of some students to find loopholes and take unfair advantage of the program.

Recommended were the elimination or simplification of the tax dependecy criteria; a tightening or clarification of household composition (economic unit) regulations; and the elimination of students from the food stamp program. Some of those advocating the latter position suggested that some students remain eligible, such as those from public assistance families, those with dependents, those working their way through school, or those attending under the G.I. Bill.

B. Strikers

Most frequently cited by those who indicated strikers as a problem group was the inability of staff to handle the sudden and substantial increase in caseload occasioned by the onset of a strike. The negative reaction of the public to striker eligibility was cited as a major concern. Administrators also questioned the propriety of striker participation in the food stamp program, stating that strikers are voluntarily unemployed and that food stamps may be subsidizing one side in labor disputes. Others related experiences with demanding and uncooperative attitudes on the part of striker applicants, including in some cases, union or political pressure to certify the applicants.

Of those offering a recommendation for the particular problem(s) described, most common was that strikers not be eligible for food stamp assistance. Some qualified this, suggesting that those in dire need or eligible prior to the strike be allowed to receive stamps. A number of administrators suggested that there be a designated waiting period before those on strike could apply or be certified for food stamps. A smaller number recommended that additional staff be hired or that unions perform some prescreening to lessen the eligibility worker's workload.

C. Migrants

Here the overwhelming concern was with the severe difficulties encountered in accurately determining and verifying migrant eligibility and basis of issuance. Due to the inherent instability of migrant income and place of residence, verification of resources, income, and residency and anticipation of income were cited as difficult or even impossible to ascertain. Concern was expressed that some of migrant families may be participating in more than one project area -- or at least that it is difficult to determine otherwise in some cases. Recommended was the development of a nationwide certification system for migrants, such as a USDA-sponsored data exchange, the issuance of a nationally accepted yearly certification card containing the household's previous basis of issuance records, or greater standardization in treatent of migrant income (e.g., use of prior or average annual income).

A few pointed to the present continuation of certification forms as unwieldy and time-consuming, and a few others commented on the language barrier between eligibility workers and Spanish-speaking migrants. Recommended respectively were elimination or modification of the transfer form procedure and utilization of bilingual forms and personnel.

D. The Elderly

Those who identified the elderly as a problem group tended to signify that the elderly experienced problems as food stamp recipients more than they caused problems for food stamp offices.

Many elderly recipients' difficulties in understanding complex food stamp regulations, complying with verification requirements, and completing the detailed forms were viewed as problems for both recipient and worker alike. Difficulties in getting to the food stamp and issuance offices were said to create hardship and to limit the participation of the elderly. Also cited as inequities or factors contributing to low participation of the elderly -- itself mentioned as a problem -- were restrictive resource limitations; potential eligibles' antipathy to "welfare"; inability to take advantage of itemized expense deductions; purchase requirement increases concomitant with Social Security and SSI benefit increases; and in general, the small bonus available to many elderly households.

Regarding the application process, it was suggested that the procedure be simplified for the elderly or that more help be made available to them in completing the procedure. Longer certification periods; greater use of home visits, telephone interviews, and itinerant offices; and development of community transportation were recommended in response to mobility problems. Increased allotments or decreased purchase requirements were sought by those advocating an increase in benefits. Also recommended was better coordination between food stamp and Social Security/SSI benefits.

VII. Outreach

The outreach question had two purposes. The first was to find out which outreach techniques local and State administrators used to inform potential eligibles about the program. The second was to determine whether the administrators judged the techniques to be effective or ineffective.

The question stated: "On the basis of experience in your area, please indicate which outreach techniques have proved effective and ineffective and explain the basis for your assessment". Space was also provided for the administrators to indicate if they had "no experience" with the techniques.

There were six techniques listed: (1) information distributed at grocers; (2) information distributed to community groups; (3) door-to-door campaigns; (4) press releases; (5) TV and/or radio spots; (6) telephone campaigns (hot line). In addition, space was provided for comments and for other techniques used to be described by those answering the questionnaire.

Table I is a summary of the responses of State and local administrators to the whole outreach question, while Table II relating to effectiveness is a summary of responses from those having experience with the six outreach techniques.

Table I shows that the three outreach techniques used most widely by both State and local administrators were: information distributed to community groups, press releases, and television and/or radio spots. In the State returns more than 50% indicated no experience with the three other techniques -- information distributed at grocers, and telephone and door-to-door campaigns, and 41% for information distributed at grocers.

The nonresponse rate for all techniques was higher among locals than states, varying among techniques from 8-9% nonresponse for States and from 16-24% for local areas.

Outreach, Table I

Summary of Responses

	STATE		LOCAL	
	Number	Percent	Number	Percent
1. Information distributed at grocers				
Effective	19	40%	105	28%
Ineffective	1	2%	50	13%
No Experience	24	50%	158	41%
No Response	4	8%	69	18%
2. Information distributed to Community Groups				
Effective	40	83%	191	50%
Ineffective	0	0	74	19%
No Experience	3	6%	56	15%
No Response	5	10%	61	16%
3. Door-to-door Campaigns				
Effective	6	13%	25	7%
Ineffective	6	13%	40	11%
No Experience	27	56%	222	58%
No Response	9	19%	95	24%
4. Press Releases				
Effective	33	69%	225	59%
Ineffective	7	15%	65	17%
No Experience	3	6%	32	18%
No Response	5	10%	60	16%
5. TV and/or Radio Spots				
Effective	33	68%	178	47%
Ineffective	5	10%	32	8%
No Experience	3	6%	98	26%
No Response	7	15%	74	19%
6. Telephone Campaigns (hot line)				
Effective	13	27%	30	8%
Ineffective	4	8%	40	11%
No Experience	27	56%	224	59%
No Response	4	8%	88	22%

Outreach, Table II

	State Administrators Indicating Experience With Specific Outreach Techniques		Local Administrators Indicating Experience With Specific Outreach Techniques	
	Number	Percent	Number	Percent
1. Information Distributed to Community Groups				
Effective	40	100%	191	72%
Ineffective	0	0	74	28%
2. Information Distributed at Grocers				
Effective	19	95%	105	68%
Ineffective	1	5%	50	32%
3. TV and/or Radio Spots				
Effective	33	87%	178	85%
Ineffective	5	13%	65	15%
4. Press Releases				
Effective	33	83%	225	78%
Ineffective	7	18%	65	22%
5. Telephone Campaigns (hot lines)				
Effective	13	76%	30	43%
Ineffective	4	24%	40	57%
6. Door-to-door Campaigns				
Effective	6	50%	25	38%
Ineffective	6	50%	40	62%

With respect to effectiveness, Table II reveals that information distributed to community groups was judged 100% effective by State administrators who had experience with this technique. These administrators observed that information distributed to community groups enables them to effectively locate, prescreen and refer needy households. In addition, information distributed at grocers, press releases, and television and radio spots were judged effective by a vast majority of State administrators having experience with them. Of local administrators experienced in these four techniques, 85% said television and radio spots were effective, commenting that with this technique access to household is good.

Television and radio spots were followed by press releases, which were seen as aiding in public relations and making more people aware of the program; information distributed to community groups; and information distributed at grocers.

A number of administrators said they were in the process of beginning outreach in grocery stores. Comments varied on the effectiveness of this type of effort. One administrator said that "support from local grocers helps to break down community attitudes toward the Food Stamp program," while another stated that "grocers attitudes toward the Food Stamp program and its recipients depend strongly on attitudes of their clientele."

State administrators had less experience with telephone campaigns and door-to-door campaigns. Table II establishes that those who tried telephone campaigns rated the technique highly effective. The limited number of responses on door-to-door campaigns were equally divided between effective and ineffective. Local administrators also had less experience with these two techniques, but a majority of those with experience in door-to-door campaigns and telephone campaigns judged them to be ineffective. On door-to-door efforts local administrators cited lack of staff to carry out this approach effectively. Others said there was resistance from those who did not like to be identified as low income or poor by the door-to-door approach.

VIII. Most Serious Administrative Problems

Administrators were asked to identify up to five of what they considered to be the most serious administrative problems in the food Stamp program, to list them in order from most to less serious, and to briefly elaborate on the specified problems.

As was the case generally, the response rate of the State administrators was higher than that of the local administrators. The following table indicates the number and percentage of administrators identifying serious problems at each level of seriousness.

RESPONSE RATE

	STATE Number	STATE Percent	LOCAL Number	LOCAL Percent
Most serious problem	45	94%	308	81%
2nd most serious problem	44	92%	273	72%
3rd most serious porblem	45	94%	237	62%
4th most serious problem	41	85%	204	53%
5th most serious (i.e., least serious)	37	77%	160	42%

Administrators' responses were analyzed and categorized as to the area of concern and the type of problem associated with it. The following ranking was then obtained by assigning a weighted value to the number of times a problem was mentioned at each of the five levels. In brackets are the total number of times the problem was indicated by the administrators regardless of ordinal level.

STATE
[N = 47]

1. Certification [22]:
   -policy/forms/procedures too complex/cumbersome/prolonged [16]
   -rules and regulations (as in Handbook) unclear/difficult to apply [3]
   other [3]
   -
2. Food Stamp Public Assistance Program inconsistencies:differing standards/regulations; dual accountability to USDA and DHEW [18]
3. Changes in FSP rules and regulations: too frequent/too numerous/insufficient prior notice [14]

LOCAL
[N = 382]

1. Staffing problems [131]:
   -current staffing level unable to keep up with caseload and complex program requirements[110]
   -other [21]
2. Certification [102]:
   -policy/forms/procedures too complex/cumbersome/prolonged [44]
   -rules and regulations (as in Handbook unclear/difficult to apply [33]
   -accurate determination of household composition difficult [20]
   -other
3. Food Stamp/Public Assistance program inconsistencies: differing standards and regulations/ dual accountability to USDA and DHEW [75]

STATE [N = 47]	LOCAL [N = 382]
4. Relations with USDA [16]: -excessive monitoring/insufficient helpful consideration [13] -other [3]	4. Changes in FSP rules and regulations: too frequent/too numerous/insufficient prior notice [56]
5. Gross Income Determination [11]: -difficult/impossible to anticipate household income [8] -other [3]	5. Gross Income Determination [51]: -difficult/impossible to anticipate household income [33] -difficulties in calculation/verification [15] -other [3]
6. Lack of State/local flexibility: lack of autonomy/flexibility in administration of the program [12]	6. Recipient fraud and illegal use of stamps [53]: -failure to report income/other intentional misrepresentation of household's circumstances [24] -insufficient investigation/enforcement/prosecution [22] -other [7]
7. Income deductions [8]: -too many allowed/too time-consuming and cumbersome to accurately determine [6] -other [2]	7. Work registration [45]: -no response from Employment Service/no resultant jobs/nonproductive administrative requirement [33] -policy not strict enough/recipients fail to follow up [12]
8. Quality Control: unrealistic QC guidelines/procedures inconsistent with those of eligibility worker/resultant inaccurate measure of program error [16]	8. Food Stamp Program complexity: unclear/complex/administratively costly/conflicting policies and regulations [38]
9. Food Stamp Program complexity: unclear/complex/administratively costly/conflicting policies and regulations [8]	9. Quality Control: unrealistic Quality Control guidelines/procedures inconsistent with those of eligibility worker/resultant inaccurate measure of of program error [37]

STATE [N = 47]	LOCAL [N = 382]
10. Outreach [7]: -requirements pose unreasonable administrative/financial burden [5] -other [2]	10. Income Deductions [33]: -too many allowed/too time-consuming and cumbersome to accurately determine [25] -other [8]

Some elaboration on these problems follows. It should be noted that "administrators" as used here means "administrators who described this aspect of the program as a major problem".

Certification. Administrators felt that the policies and procedures governing the certification process are so complex, cumbersome, and difficult to apply that they seriously and adversely affect the administration of the program. The sheer length of time required and number of forms involved were cited in this regard, and difficulties in accurately determining household composition were mentioned by some as especially troublesome. Said one administrator: "The regulations represent an effort to be fair by taking into consideration every possible situation and factor....However, by this very effort to be 'fair and equitable' to everyone individually, we are fair and equitable to no one. The program is an administrative nightmare of detailed regulations, deductions, and exceptions." Said another: "It can take as many as eleven forms to certify a family for food stamps. This not only increases the time needed to interview the client, but it also increases the possibility for errors."

Staffing problems. This was the number one concern of local administrators. The inability of the current staff at food stamp offices to keep up with heavy caseloads and complex program requirements was cited as a major cause of myriad other administrative failings. "Lack of staff," said one respondent, "creates backlogs, long waiting periods, long lines, hostilities, inferior work, and morale problems." Another stated: "Staffs are too small and worker turnover is terriffic. I don't think any area has adequate staff to do quality work in certifying and reviewing food stamp cases."

Food Stamp/Public Assistance program inconsistencies. Administrators referred to differing and sometimes conflicting standards and regulations in these programs, often administered by the same worker and/or for the same recipient. This was felt to contribute to confusion, complexity, and errors. The dual accountability of State and local welfare agencies to USDA and HEW was also cited. Representative was this comment by a State administrator: "The rules for food stamp eligibility vary extensively from the rules of other assistance programs, necessitating separate application and determination of food stamp eligibility or considerable modification of case file data already maintained for the assistance household." Complained a local administrator: "The operation of the Food Stamp Program by USDA and the AFDC program by HEW creates an administrative nightmare for county welfare department employees who must administer both programs."

Changes in program rules and regulations. Administration of the program was said to be seriously hampered by frequent and numerous changes in rules and regulations, and by insufficient prior notice of such changes. Regarding this latter point, one State administrator said: "Insufficient lead time to study, analyze, develop and implement or modify State regulations and operating systems by prescribed dates results in 'inefficient' and 'ineffective' crises oriented program management at all levels."

Gross Income Determination. The accurate anticipation of household income was felt by administrators to present a near insurmountable difficulty in some or most cases. "With families whose income and living situation are unstable," said one adminstrator, "anticipation of what the next month will bring is often an impossibility." Other difficulties in calculating income, such as converting irregular income to a monthly basis and determining nonearned income, were also mentioned.

Relations with USDA. Stressed primarily by the States, the problem was typified by this comment of a State administrator: "The federal USDA tends to over-supervise States on day to day operations. Not enough helpful consideration or guidance is given--only negative nit-picking." Said another: "The problem most difficult for me to cope with is lack of directives coupled with too many administrators...None are giving those of us who work directly with the client necessary training, information, and tools to do an adequate job." In addition, a few cited lack of State input on the federal level as characteristic of their relationship with USDA.

Lack of State/local flexibility. Administrators complained of a lack of autonomy and flexibility in best administering the program to suit local needs; the lack of authority to institute pilot programs was mentioned in this regard. Said a State administrator: "Policy is being made for big population centers with no thought as to how they can be administered in rural States." "It is possible," argued another, "to have uniform national standards with a built-in flexibility to meet unusual local circumstances."

Recipient fraud and illegal use of stamps. Here the problem was twofold: the existence of recipient fraud and the lack of effective investigation and enforcement were viewed as major challenges to the successful functioning of the program. A local administrator explained: "The word gets around that we can't do anything about repayment, and this does two things: 1. It encourages recipients to lie because they have nothing to lose if caught, and 2. It upsets the general public who see their tax money wasted. We prosecuted one case last month and the following two days we were flooded with phone calls from recipients wanting to pay their claims, from people confessing new information, from people thanking us for doing the right thing. It did a lot to stop cheating in the Food Stamp Program."

Income Deductions. Administrators expressed their concern with the number of deductions now allowed, particularly with regard to the time-consuming and cumbersome determinations required. One State administrator, citing "the complexity of net income computation requirements" as a major problem, stated: "Prompt attention to simplification of existing requirements is essential in view of the costly time factor and high error rate associated with this single area".

Quality Control. Administrators cited unrealistic quality control guidelines; procedures that are inconsistent with those utilized by eligibility workers; and a resultant inaccurate measure of program error. Said one administrator: "Public confidence in the program can not escape further erosion when the large number of errors are cited, and the morale of food stamp workers can not escape further undermining when attention is called to an 'error' that has been carried out correctly according to the worker's guidelines." Said another: "They review [cases] after the fact; we must project income and expenses. This inflates the error rate. Also they record technical mistakes which don't actually affect eligibility." One State administrator suggested "It could be more practical to redesignate half or more of the [QC] reviewers as certifiers."

Work Registration. Administrators viewed this procedure as a major problem because it is nonproductive. Lack of response by the Employment Service was cited as precluding either employment for those willing to work or administrative sanctions against those unwilling to do so. Said one local administrator: "This requirement sounds good but is a total farce. The employment office has not found a job for one food stamp recipient and in fact has set up only a half dozen appointments in the past seven years." Said another: "Merely completing the 284 [work registration form] does not create a job seeker."

Food Stamp Program complexity. Comments on this problem reflected administrators' general sense that the program is laden with unclear, complex, administratively costly, and conflicting policies and regulations. One State administrator stated that "the program is on the brink of breaking down due to the weight and complications of the administrative requirements which have accumulated to the point where it is impossible to achieve an acceptable level of performance."

Outreach. Administrators questioned the need for expanded outreach and doubted its efficacy in bringing eligibles into the program, but mainly they saw the mandated outreach activities as posing an unreasonable administrative and financial burden on local and State agencies. Referring to the "nationwide outreach program as required by Bennett vs. Butz," a State administrator said: "This decision has imposed an unworkable system on the States that cannot be adequately staffed nor the stated goals reached."

IX. Most Satisfactory Administrative Aspects

Similar to the previous question, administrators were asked to identify up to five most satisfactory administrative aspects of the program. As indicated in the table below, the response rate to this question was significantly lower than that to the previous question, indicating that administrators more readily identified serious problems than satisfactory aspects of the program.

	STATE		LOCAL	
	Number	Percent	Number	Percent
Most satisfactory aspect	29	60%	233	61%
2nd most satisfactory aspect	27	56%	186	49%
3rd most satisfactory aspect	24	50%	121	32%
4th most satisfactory aspect	19	40%	95	25%
5th most satisfactory aspect (i.e., least satisfactory)	11	23%	69	18%

Responses were analyzed and ranked in the same manner as the previous question. As can be noted from the bracketed figures, many of even these most frequently mentioned satisfactory aspects were mentioned by only a small number of administrators, both State and local.

STATE
(N = 47)

1. Recipient benefits [11]:
   -food/nutrition benefits: improved nutrition intake/better food selection/increased food purchasing power/stamps must be used for food [8]
   -standard of living benefits: hedge against inflation/more money available to meet other expenses [3]

2. Program funding [12]:
   -administrative matching funds work well/are necessary for implementation [9]
   -federal funding of bonus coupons: positive economic stimulus [3]

LOCAL
(N = 382)

1. Recipient benefits [116]:
   -food/nutrition benefits: improved nutrition intake/better food selection/increased food purchasing power/stamps mus ust be used for food [70]
   -standard of living benefits: hedge gainst inflation/more money available to to meet other expenses [29]
   -recipient self-respect: benefits the working poor/keeps households off welfare/supports families [17]

2. Coupon issuance: various procedures and issuance arrangements work well [69]

STATE (N = 48)	LOCAL (N = 382)
3. Relations with USDA [9]: -cooperative/helpful/responsive to state needs [7] -allows for State input in program change [2]	3. Staff [41]: -well-trained/well-utilized [17] -honest/conscientious/diligent [15] -other [9]
4. Accountability for cash and coupons: procedures work well [7]	4. Manual (Handbook) and forms: easy to work with/revisions are improvements [40]
5. Staff [6]: -well-trained/well-utilized [4] -honest/conscientious/diligent [2]	5. Program funding [26]: -federal funding of bonus coupons: positive economic stimulus [15] -administrative matching funds work well/are necessary for implementation [11]
6. Coupon issuance: Various procedures work well [7]	6. Accountability for cash and coupons: procedures work well [28]
7. USDA monitoring/Quality Control/Audits: identifies problem areas/aid to implementation of correct procedure [6]	7. Relations with State agency: cooperative/helpful/responsive [23]
8. Fair Hearings: operates well/guarantees recipient's rights [6]	8. PA/SSI Certification: short and sufficient [24]
9. Outreach: successful in getting information to potential eligibles [5]	9. Variable Purchase Option: best serves recipient/sometimes necessary for participation [24]
10. Coupon allotment: as adjusted semi-annually, serves recipient [5]	10. Work registration [21]: -allows for administrative sanctions against voluntarily unemployed recipients [10] -other [11]

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Some elaboration on these satisfactory aspects follows. It should be noted that "administrators" as used here means "administrators who described this aspect of the program as satisfactory."

Recipient Benefits. The benefits provided to recipients by the Food Stamp program, and the positive effects of these benefits on recipients' well-being, was the most satisfactory aspect of the program to both State and local administrators. Most commonly cited were food and nutrition benefits: that stamps channel household money into food, that the bonus increases household food purchasing power, and that better food selection and improved nutrition result. Some administrators observed that food stamps provide a hedge against inflation and allow money to be available for other household expenses, or that food stamps provide assistance to the working poor and help make ends meet for marginal non-welfare families. Typical were these comments: "[Food Stamps] help stretch the food dollar so that more nutritional meals can be served. Because of the bonus stamps received by each client, they can buy more food and must buy edibles only." "If the money is spent on food stamps, at least you know the children will eat." "When large families or families with large medical bills or housing costs want to remain independent and continue to earn as much as they are able to, with food stamps they get assistance without AFDC." "It has been a lifesaver to many individuals in our high unemployment area."

Program funding. State and local administrators expressed their approval of the arrangements whereby federal funds pay for 50% of all administrative costs and 100% of food stamp "bonus" costs. Administrative matching funds were viewed as working well and as necessary for program implementation,while the federal funding of bonus coupons was viewed in terms of its positive economic effects on the community. One State administrator stated that matching funds are "the only way the States will be able to afford effective programs that accomplish the objectives of providing nutritional assistance to the eligible applicants." With regard to federal funding of bonus coupons, another State administrator observed: "This was multiplied at least 1.43 times in the rural economy, and more in the urban economy, and thus provided considerable economic impact."

Coupon Issuance. Administrators referred to various procedures and issuance arrangements that work well within their jurisdictions. Stated one: "Mail issuance reduces the number of persons in the office and also is a help to elderly and disabled persons and persons with transportation problems." Said another: "Issuance of food coupons by the Post Office has proved very satisfactory." Others commented on the availability of various issuance procedures which are optional to the States.

Relations with USDA. Administrators found the Food and Nutrition Service of the USDA to be cooperative and responsive to State needs. A few cited State input in USDA policy changes. Said one administrator: "Regional FNS staff have been most cooperative and accommodating."

Staff. Administrators expressed satisfaction with their staff, who were described as well-trained, well-utilized, honest, conscientious, and diligent. One administrator cited "the dedication and performance of the supervisor and staff in the face of insurmountable odds. In spite of bureaucratic red tape and the myriad of other obstacles, they have made this program work to the general satisfaction of the recipients."

Accountability for Cash and Coupons. Administrators indicated that accountability porcedures are working well in their areas. Stated one: "If issuance procedure is followed as instructions dictate, cash and coupons are totally accounted for. We have had [over $5 million] in cash and coupons go through two cashiers' hands in the Federal fiscal year of 1975 with only $118.75 unaccounted for."

Manual (Handbook) and Forms. Administrators stated that the Food Stamp Certification Manual adequately facilitates the work of the certifying officer. Revisions in the manual and forms were commended. Said one administrator: "The revised manual is an improvement over the old manual. Easier for caseworkers to use--and more practical."

USDA Monitoring/Quality Control/Audits. These activities were seen as aiding in the implementaiton of correct procedure by identifying problem ares and suggesting needed change. Said one State administrator: "[USDA] audits are a great help in identifying actual and potential problem areas and carry weight in having local departments initiate corrective action." Another administrator described Quality Control as "an essential part of the program as long as findings are not misrepresented."

Relations with State agency. Local administrators found the State agencies to be cooperative, helpful, and responsive to local needs. Said one: "Whenever a problem has arisen, there has been immediate accessibility to someone at the State level."

Fair Hearings. Typical was this response: "The present system for fair hearings is a good system and it operates well in our area. People must have the right to be heard if they feel they have been treated wrongly."

PA/SSI Certification. Administrators observed that the categorical eligibility of public assistance and non cashed-out SSI households allows for a food stamp certification process that is short and sufficient. Said one State administrator: "Certification of these persons is greatly simplified compared to nonpublic assistance households."

Outreach. Administrators felt that outreach in their area was successful in reaching potential eligibles. "Over the past two months, stated one administrator, "we have been getting a lot more of the elderly persons into the program and this is due to the outreach program that we have established."

Variable Purchase Option. This option was felt to best serve recipients and to be necessary for participation in cases where recipients are unable to afford the full purchase price. Said one administrator: "[It] helps them to manage their budget more efficiently. It also allows them the option of not purchasing the entire allotment if they have stamps left from prior months or have an unexpected emergency."

Coupon Allotment. Administrators indicated that the stamp allotment, as adjusted semi-annually to reflect changes in the cost of food, is adequate to meet the needs of participating households.

Work Registration. Mentioned as satisfactory were that this procedure allows for administrative sanctions against at least some voluntarily unemployed recipients and that it provides a service to jobseeking recipients.

By comparing the number of times aspects of the program were listed as problems and satisfactions in this and in the preceding question, it is possible to derive a list of those aspects of the program viewed relatively more favorably than negatively by respondents. Only coupon issuance and recipient benefits were so viewed by both State and local administrators. Also mentioned more often as satisfactory than as problematic by the State administrators were: the coupon allotment, as adjusted semi-annually; fair hearings; and program funding. Relatively satisfactory to local administrators were: the variable purchase option; accountability for cash and coupons; and relations with the State agency.

X. Program Abuse

Adminstrators were asked to identify the major problem areas of the program in connection with illegal program abuse. The areas listed on the questionnaire were alteration of ATP cards; black marketing; couterfeiting; eligibility worker fraud; issuance worker fraud; mail thefts of household allotments; purchase requirement loans to recipients by retail store owner/operators; recipient certification fraud; thefts of ATP cards; and thefts of bulk coupons.

The one abuse problem identified most frequently by all administrators was recipient certification fraud, identified almost twice as often as any other abuse problem by State administrators (56%) and more than twice as often as any other abuse problem by local respondents (52%). Next most frequently mentioned by both State (29%) and local (20%) administrators was the problem of abuse through black marketing. Mail thefts of household allotments was cited as a major problem by 23% of the States, but only 7% of the local administrators; it was the third most frequently cited by both groups.

Program Abuse

STATES	Number	%	LOCAL	Number	%
Recipient Certification Fraud	27	56%	Recipient Certification Fraud	197	52%
Black Marketing	14	29%	Black Marketing	74	20%
Mail Thefts of Household Allotments	11	23%	Mail Thefts of Household Allotments	25	7%
Theft of ATP Cards	6	13%	Purchase Requirement Loans by Retail Store Owner/Operator	20	5%
Purchase Requirement Loans by Retail Store Owner/ Operator	4	8%	Theft of ATP Cards	9	2%
Counterfeiting	3	6%	Eligibility Worker Fraud	7	2%
Issuance Worker Fraud	3	6%	Issuance Worker Fraud	4	1%
Eligibility Worker Fraud	2	4%	Alternation of ATP Cards	3	1%
			Counterfeiting	3	1%

A. Recipient Certification Fraud

Administrators most frequently reported the existence of and described the types of fraud perpetrated during the certification process. They stated that some recipients did not report or under-reported income and resources, exaggerated their deductible expenses, and generally misrepresented the facts surrounding household circumstances. Recipient failure to report changes in income or household circumstances after initial certification was also cited in this regard.

Administrators expressed frustration over a perceived lack of legal follow-up and timely enforcement against those suspected of commiting fraud. Some pointed to the difficulty of proving that a misrepresentation was intentional rather than unintentional on the part of the recipient; some pointed to insufficient time and effort devoted to food stamp recipient fraud on the part of law enforcement agencies; others pointed to difficulties in collecting claims filed against those receiving benefits (or excess benefits) due to incorrect presentation of household circumstances.

Some respondents expressed the belief that inadequacies in the certification process itself contributed to the problem of recipient fraud. Insufficient verification and the related problem of insufficient eligibility worker time per case were cited in this regard.

Frequently recommended was an increase in investigatory, enforcement, and prosecutory activity directed against fraudulent recipients. Some spoke to the need for additional federal (Justice Department or USDA) funding and enforcement. Publicizing of arrests and convictions was suggested as a deterrent; more effective claim collection procedures were called for, as was suspension of fraud-commiting recipients from the program in addition to any claims or charges filed against them. Also recommended by a number of administrators was implementation of a more comprehensive and effective verification process, and the simplification of the entire certification process so as to cause less confusion to all parties involved while freeing up more worker time for verification and investigation.

B. Black Marketing

In their remarks concerning black marketing abuse of the food stamp program, administrators referred to instances of stamps being sold for cash or being used to purchase nonfood -- or even illegal-- items. A number reported that they were aware of rumors and anecdotal accounts of black marketing but were unclear as to the extent of such activity. Cited by a few as contributing factors were retailer laxity in accepting coupons, lack of adequate investigation or enforcement, and the availability for illicit use of fraudulently obtained coupons.

A greater investigatory and enforcement effort on the part of the States and USDA was recommended most often by those citing this problem. The institution of photo ID's; use of signed coupons; elimination of the purchase requirement; and cashing-out of the program were each recommended by a few respondents.

C. Mail Theft of Household Allotment

Administrators mentioned specific instances and/or dollar figures involved in loss of coupons through mail theft; they expressed their concern that such theft is likely to occur pending further implementatton of coupon mailing procedures; and they argued that this is a risky and difficult to control procedure. Recommendations included discontinuing all mailing in high crime areas; sending stamps by registered mail; implementing tighter security within the postal service; making public assistance withholding optional; and deleting this procedure entirely.

* * *

APPENDIX III

Quality Control Non-Public Assistance Study

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August 1, 1975

Dear :

The House Committee on Agriculture has undertaken a comprehensive review of the Food Stamp Program.

One of the continuing and most significant concerns about the program is the lack of information concerning characteristics of the participants. Of particular concern to the Congress is the number of students, participants involved in labor disputes, military personnel, and, more recently, families with high gross incomes who participate.

In order to have better information about these matters, the Committee, with the cooperation of the Department of Agriculture, would like to make use of data that is routinely collected and reported as part of the Quality Control Program. Each month, nationwide, about 7,000 active and 4,000 negative cases are reviewed for Quality Control purposes. A worksheet, FNS form 245, is filled out which contains the information necessary to determine the quality control error rate. That form also contains detailed information which could be used to provide answers to the questions referred to above.

Because of the need to develop this information as quickly as possible, we have decided to look at the sample selected for the month of April since the FNS forms 245 should now have been completed for that month. Unfortunately the information on students may not be as good as we would like because states were implementing the revised regulations affecting students from non-needy homes at different times during the spring. Therefore, we would also expect to ask you later on for the FNS forms 245 for a month in the fall, perhaps October.

In an effort to make this as simple as possible for you, we are asking that you reproduce copies of the FNS forms 245 for cases selected in the April, 1975, sample; and, with names and addresses deleted, send them to us. We will then transfer the information here into machine-readable form for automated processing.

There is some question about whether or not we could identify from the FNS form 245 all those in the sample involved in labor disputes. Therefore, to insure accuracy, we would like for you to take whatever steps are necessary to provide a count of the number of participants so involved. Record the number of participants involved in a labor dispute in the lower right-hand corner of the first page of the FNS form 245 in the "Other Information" section, e.g., strikers-1. If no one is so involved, indicate "none", e.g., strikers-none. If there is no room inside the box, add the information immediately below it.

If this information is available to you without a review of the case file at the local level, obviously that would be the most convenient way to obtain it. However, if it is necessary to check the case files to be sure, please do so.

Copies of the FNS forms 245 for the Quality Control sample of active and negative cases selected for April, 1975, should be sent to:

James E. Springfield
House Agriculture Committee
1301 Longworth House Office Building
Washington, D. C. 20515

We would like to have the information as soon as possible, but no later than August 31. If you have questions, please call Mr. Springfield at 202-225-2171.

We believe the results of this aspect of the study will be of substantial use to the Committee and to the Congress as it considers legislation in these areas. I shall very much appreciate your cooperation in assisting us by providing this information.

With kind regards,

Sincerely,

Thomas S. Foley
Chairman

HOUSE AGRICULTURE COMMITTEE

April, 1975, Quality Control Non-Public Assistance Study

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SUMMARY AND CONCLUSIONS

April, 1975, Quality Control Non-Public Assistance Study

The following are highlights of the House Committee on Agriculture's study of food stamp recipients based upon the April 1975 Quality Control sample. Initially, a letter was sent out to all 50 States, District of Columbia, Puerto Rico, Guam, and the Virgin Islands, requesting that the forms (Form FNS 245) used in the reviewing process for the April sample be forwarded intact to the Committee. Upon receipt of these forms, the information was tabulated in accordance with established statistical and data processing procedures which are described in Appendices A and B. This summary is divided into four separate categories: general characteristics, income, deductions, and a section on special status describing the incidence of students and strikers. All cases have been appropriately weighted and projected to National totals, percents and means. As one peruses the following information, four things should be kept in mind.

(1) All income and deduction information refers to one month, namely, April 1975, and not to income or deductions of a household for an entire year.

(2) These statistics only represent the non-public assistance caseload (NPA). A brief definition of a NPA household is one in which at least one member is not a recipient of a federally-aided public assistance grant. The NPA cases represent 56.1% of all cases of the month of April.

(3) All tables include Puerto Rico which is different from the other states with respect to race, level of deductions, and other characteristics.

(4) The information comes from a quality control form meaning that for some data fields, two estimates are available. On the form entries for wages, welfare, family size, rent, child care, etc. as reported to the certifying office at the time the application for food stamps was made are available. In addition, there are the entries for these same categories as reviewed by another individual at a later date (usually 15-45 days after April). This duplicate set of information is available primarily on income and deductions on 91.2% of the cases forwarded to the Committee. At the time coding began, it was decided to code summary information for both the certifying offices and the reviewing office (i.e. gross income, gross deductions, family size, purchase requirement and bonus amount). The detail information making up these totals would only be coded for the reviewing officer. For those cases where the review has not been completed, the detail as given to the certifying officer is coded. All tables have been labeled as to what information (certifying or reviewing) is used.

General Household Characteristics

Approximately 54.4% of the household heads are white. Another 25% of the heads of households are black and 15.7% are Spanish-surnamed, the latter being primarily in Puerto

Rico. The remaining number are Indian, Oriental, and other nationalities or families whose race was not identified on the form. Approximately 60% of the households are male-headed.

For age of the head of household, the non-public assistance (NPA) caseload has roughly the same frequency in each age category with a slightly higher frequency or percentage of cases 65 years of age and over. Approximately 25% of the caseload is 65 and over with another 14% being 55 and over.

Slightly less than 50% of all non-public assistance food stamp families are one and two members. Another 35% of the caseload have family sizes between three and five, with 16% of the caseload having family sizes of six and above.

Thirty-five percent of the families own their own home, with approximately half of those (17.7% of the entire caseload) reporting no mortgage payment.

Income

The average gross countable (i.e., not including excluded income) food stamp income as reported to the certifying officer is $264 per month. Gross income as determined by the reviewing officer increased an average of $41 to approximately $305. This change is due to mistakes made in the original certifying process as well as differences resulting from the comparison of estimates of anticipated incomes at the time of certification with known incomes at the time of review. Gross income is composed primarily of three items: wages which average $136,

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Social Security and other governmental insurance plans which average $100 and Supplemental Security income which averages $28. Approximately 35% of the families reported having wage income and 3.6% of the families reported self-employment income. Average level and composition of gross income vary considerably by type of household. For example, the elderly have very few wages.

Approximately 6% of the families had zero income. Because family sizes tended to be one and two-member households, a large percentage (48%) of the food stamp households have gross monthly incomes of $215 or less. This is roughly equivalent to the poverty line for a one-member household. An additional 27% of the NPA caseload has income less than $360 per month.

On the basis of gross income, as reported to the certifying officer, two-tenths of one percent of all NPA households had incomes over $1,000 per month. However, the best way to address the question of incidence of high income food stamp recipients is by comparison with the poverty line. Using income as reported to the certifying officer, 18.1% of the caseload had incomes in excess of the poverty line. 7.2% of the sample had incomes in excess of 125% of the poverty line.

These statistics change when income as determined by the reviewing officer is used. The equivalent statistics show 26.5% of the caseload above the poverty line with approximately

13.8% of the caseload above 125% of the poverty line. This concept of poverty income is based upon a one-month accounting period. It does not show the incidence of high income families in the program if a full one-year accounting period were used. It is quite likely that some of these people that were below poverty for the month of April would have higher than poverty-level earnings on the basis of a 12-month accounting period. The reason for this is simply that a significant percentage of low income households have fluctuating incomes from month to month.

Deductions

The average level of deductions is approximately $82 per month with little difference between the amounts determined by certifying and reviewing officers. The largest component of deductions is shelter, which accounts for an average of $36 per family. The next largest component is work-related expenses which averages $27. These work-related expenses are composed of income and payroll taxes ($17.42), work allowance ($8.41), mandatory retirement payments ($.86), and union dues ($ .38). Medical expenses ($12.40), child care ($1.60), and all other deductions ($1.70) make up the remainder of allowable deductions.

Another important finding of the study is that deductions do vary widely. For example, if a standard deduction of $90

was chosen with the remainder of the program left unchanged, roughly 53% of current NPA program households would have their bonus increased by over $9 with 24% of the NPA caseload having their bonus cut by $9 or more. Also, as one would expect, the average level of deductions varies by household characteristics. Deductions increase with family size -- being approximately $49 for a family size of one and increasing to $114 for families having from four to six members. The level of deductions is also related to age. For those families whose head is 65 and over the average deduction is only $40, while the average deduction for those households where the head's age is 14-34 is $114. Most of this difference in the average level of deductions with respect to age and family size is due to work-related expenses. This implies that a standard deduction, all other provisions remaining identical to the current program, would benefit the aged, small sized and low income households, while hurting the larger, younger, higher income but probably working households.

Another important, but not surprising, finding is that the level of deductions increases with gross income. For example, for families whose gross income is between $100 and $215, the average level of deductions is $42.34 while for families whose gross income is between $490 and $559, the average is $142.41 or a difference of $100. The majority ($60) of this difference is accounted for by changes in work-related expenses (not including children). Another $15 is accounted for by increases in medical expenses (part of this

can be attributed to medicare availability for the elderly), $6 by increased tuition, $7 by increased shelter, and $12 by other expenses.

Special Status

Approximately 5.6% of the households have a college student present. This is approximately 185,000 families out of a total of 3,312,000 NPA households. There are 204,700 students in these households. 75% of the households with a college student are headed by a college student.

Another 1.2% of the households had a student going to an elementary or secondary school. Under current food stamp regulations, a family is entitled to deduct tuition regardless of the kind of school a child attends. The total percentage of food stamp bonus going to college students is approximately 4.9% and the percentage of bonus dollars going to families with elementary or secondary students is 1.6%. If the tuition deduction was not allowed under the current food stamp program, an upper bound on the estimate of cost savings would be approximately $34.6 million per year.

The percentage of strikers in the sample is .2%. This is an extremely low percentage and raises questions about the validity of the study with respect to the incidence of striker question. Both student and striker information had to be deduced. There was no question which directly interrogated the

recipient as to their status vis-a-vis these special interest groups. Striker identification is usually possible, but not always, by determining if the household received strike benefits or by notes made by the reviewing officer in the work registration portion of the form. Information from the August 1975 Current Population Survey also indicated a percentage of approximately .2%. Out of 44,733 households sampled in August, 2,688 were on the food stamp program. Five of these food stamp households were identified as having strikers which, when weighted appropriately, implies a percentage of .202%. Stated differently, based upon statistical methodology, we can be 95% confident that the percentage of households with strikers is less than .35%.

Student identification was accomplished by determining if a tuition deduction was taken, a scholarship reported as income or the work registration requirement exempted because the individual was a full-time student. Again, given this procedure, it is possible to miss students. However, this is not likely to have happened often because the reviewing officer had to carefully review all cases where the work registration was exempted. It should be remembered that the percentages for students cited above are for the NPA caseload.

Other controversial groups, such as migrant workers and number of households receiving military pay, was not capable of being addressed in this study given the information on the quality control review form.

Characteristics of the April, 1975, Food Stamp Caseload

Preliminary Report

Introduction

The purpose of this study is to provide information to policymakers about the current food stamp program. Questions about the incidence of strikers, students, high income families, and average level of deductions are typical of the questions which are addressed in this study.

For this study to be completed within a relatively short time span and without a huge cost, an existing data source had to be tapped rather than designing a survey from scratch. The only existing data source capable of providing answers was the quality control sample. This data as compared to census data (current population surveys), Chilton or other survey data has the distinct advantage of being representative of what actually took place on the program. It does not ask questions of recipients themselves as to what their income, deductions, bonus or family size are but obtains the information from the certifying officer. In addition, 91.2% of this sample has had its income, deduction and other basic program data verified by a reviewing officer. The reviewing officer spends an average of twelve hours per case interviewing the family and verifying income and deduction information with outside sources. This is a much more intensive data collection pro-

cedure than any other survey. This data is probably the best source of income and deduction information on food stamp (NPA) households.

The basic form used by the reviewing officer is Form FNS 245. It contains both certifying and reviewing officer information. The entire quality control sample (6,045 cases) for the month of April was forwarded to the Committee. Upon arrival, each form was checked for legibility. Each form was also checked to ensure that the review month was April and that the form was complete. Each form was coded and all of the coded information was verified by another individual. After the keypunch and verify operation, each case was checked by a computer automated edit program. For example, the purchase requirement was checked against the April, 1975 purchase requirement table. If a mistake was found, the family size, income and purchase requirement fields were examined and one of the fields changed to correct the mistake. The interested reader is referred to Appendix A for a complete description of the data processing procedures. Finally, after all cases had passed the edit inspection, a check was done which verified that each family was present that had been originally sent to Washington. Essentially, this ensured that all forms have been coded once and only once.

Since the quality control review is a simple random sample

within each state, the task of projecting this sample into National totals, means or percents is relatively straightforward. The weight attached to each observation from the ith state is equal to the total NPA cases in that state from the month of April (obtained from USDA records) divided by the number of cases in the processed data file. Two potential problems arose which may alter statistics slightly. No information is available for three states, namely, Indiana, Michigan, and Alaska. It is assumed that these states are identical to the average of all the other states' characteristics. Even if the omitted states are somewhat different, they would have to be drastically different to alter national statistics by more than 1 or 2%. The entire NPA sample for the month of April is over 7,000 cases of which we received only 6,045. The cases not received were not forwarded for a variety of reasons (e.g., unable to locate the household, the household moved out of the state after April, death of head in a single member unit, or families being unwilling to cooperate). Essentially, it is assumed that these cases are exactly like the cases in the sample. For example, it is assumed that the number of elderly families excluded is proportional to the number of elderly families actually in the sample. To the extent that this is not true, our statistics will be slightly biased. If the excluded sample is radically different, then the statistics in the report will be misleading.

There is no evidence that this happened. This question is addressed further in Appendix B and will be explored further in a final report.

The remainder of this report is organized by table. After a brief description of the contents of each table, the answers to the more important policy questions within each table are highlighted. These tables have been designed such that they can be studied or read without supporting text.

Table 1

Table 1 is a summary table separated by typical food stamp household profiles. These profiles were not intended to cover the entire caseload or necessarily be mutually exclusive. They were selected to illustrate that overall averages can be misleading and to separate out several groups of special interest to the Committee. The entire NPA caseload is described in Column one. Column two refers to male-headed families, spouse present, with two children. Column 3 contains all families with 6 - 8 members. Column 4 is only those families who are headed by a college student while the final column refers to one or two-member households where the household head is greater than or equal to 60 years of age. For ease of exposition, Table 1 has been subdivided into 9 tables (A - I).

The first two rows of information in Table 1 A are the percentage of the caseload in terms of households and percentage of bonus dollars received respectively by the different household profiles. Male-headed families with a spouse and two children comprise 8.3% of the households but 10.7% of bonus dollars. Six to eight-member households comprise 12.4% of the households and 23.6% of the bonus dollars; college students are 4.2% of the cases and 3.2% of bonus dollars while the elderly represent 30.0% of the cases and 12.2% of the total bonus dollare received by the NPA food stamp population.

For the entire caseload approximately 54.4% are white, 24.9% are black, 15.7% are Spanish-surnamed, with the remainder

Table 1 A

Selected Income, Deduction and Household Characteristics by Typical Food Stamp Household Types

	Entire NPA Caseload Including Puerto Rico	Male Head, Spouse, two children	6 to 8 in family	College Student as Head	Elderly
Percentage of Caseload (Households)	100.0	8.3	12.4	4.2	30.3
Percentage of Certifying Bonus[c] Dollars Received	100.0	10.7	23.6	3.2	12.2
Race					
White	54.4	58.5	42.6	70.2	61.6
American Indian	0.5	0.6	0.8	0.0	0.3
Negro or Black	25.0	12.4	29.8	9.6	25.6
Spanish Surnamed	15.7	24.5	22.3	5.5	10.3
Oriental	0.2	0.5	0.0	1.0	0.2
All Others	0.4	0.1	0.6	0.0	0.2
Not Determined	3.8	3.4	4.0	13.6	1.9
Sex of Head					
Male	59.6	100.0	77.8	66.2	41.5
Female	40.4	0.0	22.2	33.8	58 5

Table 1B
Selected Income, Deduction and Household Characteristics by
Typical Food Stamp Household Types

	Entire NPA Caseload Including Puerto Rico	Male Head, Spouse, two Children	6 to 8 in family	College Student as Head	Elderly
Age of Head[a]					
14 - 24	9.5	13.8	1.3	56.9	0.0
25 - 34	18.8	43.7	26.7	29.1	0.0
35 - 44	15.7	20.5	35.7	7.5	0.0
45 - 54	11.7	7.4	21.6	0.5	0.0
55 - 64	14.2	8.5	4.6	0.0	19.7
≥ 65	25.5	3.1	4.3	0.9	73.4

Table 1 C -- Selected Income, Deduction and Household Characteristics by Typical Food Stamp Household Types

	Entire NPA Caseload Including Puerto Rico	Male Head, Spouse, two children	6 to 8 in family	College Student as Head	Elderly
Special Status					
% Households With:					
College Students	5.6	4.8	5.1	100.0	0.8
Elementary/Secondary	1.2	3.3	1.8	2.5	0.0
Strikers	0.2	0.6	0.0	0.0	0.1
Family Size[b]					
1	30.9	0.0	0.0	56.5	64.3
2	18.5	0.0	0.0	17.5	35.7
3	12.9	0.0	0.0	8.7	0.0
4	11.6	100.0	0.0	8.4	0.0
5	10.2	0.0	0.0	4.0	0.0
6	6.5	0.0	51.8	3.1	0.0
7	3.6	0.0	28.8	0.6	0.0
8	2.4	0.0	19.5	1.0	0.0
9 and above	3.4	0.0	0.0	0.0	0.0

primarily not known from the form. College students are primarily white, 70.2% versus 16.1% non-white, and large families are primarily non-white.

Families are male-headed 59.6% of the time. Most of the large families are male-headed, as are the college students. For the elderly, more families are female-headed, which also implies that they are single member units.

Age of the head (Table 1 B) for the entire caseload is roughly evenly distributed among the different categories with a slight increase in the percentage that are age 65 and over. Approximately 25.5% of the sample is greater than or equal to 65 years of age. An additional 14.2% of the caseload is between ages 55 and 64, while 9.5% of the sample is less than 24 years of age. Most, but not all, of the college students are young while most of the heads of large families are in the 35 - 44 age bracket. Each of the columns total to 100%. Thus, one must interpret the 29.1% in the fourth column under college student and in the row labeled 25 - 34 year age bracket as the percent of all college students who are 25 - 34 years of age. This must not be interpreted as 29.1% of the 25 - 34 year age bracket going to school. College student is slightly misleading in that any head of household taking courses beyond the high school level would be classified as a college student. This would include technical schools or individuals taking one or two courses at night at a nearby community college.

Households with college students represent 5.6% of the entire caseload (Table 1 C). An additional 1.2% of the households have dependents attending elementary and secondary schools for which

they are receiving tuition deductions.

Family size is dominated by one and two-member households. Slightly less than 50% of all NPA food stamp households have under two members with one-member units constituting almost 33% of the entire sample.

Very few questions about assets are available on Form 245. Home ownership is one resource characteristic which was available and it indicates that 35% of the entire caseload own their home with approximately 50% or 17.7% of the entire caseload reporting no mortgage payment for the month of April. 36.4% of the elderly own their home with 28.8% reporting no mortgage payments. 48.4% of the large families own their home while 7.7% of college students own a home.

The next group of numbers (Table 1 D) indicates the number of people that are over the poverty level based upon gross certified income. It indicates that for the entire sample roughly 18% of the entire caseload is greater than the poverty line. 32% of the male-headed families of four are above the poverty line; 34% of the college students are above poverty; 17% of the large families and 11% of the elderly families are above the poverty line. The percentage in excess of 125% of the poverty line for the entire sample is 7.2% while for the elderly this percentage is 2.6%.

Table 1 E describes the distribution of deductions. It shows that for the entire sample roughly 18.7% do not take any deductions, and 17.4% have deductions between the levels of $1 and $30. Approximately 17.9% had deductions greater than $150 for the entire sample. 4.1% of the elderly had deductions

Table 1[D]

Selected Income, Deduction and Household Characteristics by Typical Food Stamp Household Types

	Entire NPA Caseload Including Puerto Rico	Male Head, Spouse, two children	6 to 8 in family	College Student as Head	Elderly
Home Ownership					
Own home/mortgage	17.5	27.7	30.7	5.7	7.6
Own home/no mortgage	17.7	12.0	17.7	2.0	28.8
Do not own home	64.8	60.2	51.6	92.3	63.7
Poverty Level[C]					
0 - 1.0	81.9	67.8	83.0	66.4	89.4
1.01 - 1.25	10.8	17.6	10.3	18.4	8.0
1.26 - 1.50	4.3	8.4	4.9	5.4	1.9
$\geq$ 1.51	2.9	6.2	1.8	9.8	0.7

exceeding $150 while 35.7% of the male-headed families with two children present had deductions exceeding $150.

The next set of information (Table 1 F) relates to distribution of gross income. It indicates that 5.8% of the households had no earnings or other sources of income for the month of April. Most of the families are below $215 of income per month which is roughly equal to the poverty line for one-member households. The preponderance of families at this gross income level is due to the high percentage of one and two-member households which are primarily the elderly. The number of families above $360 per month, or approximately 4,200 per year, represents 24.4% of the caseload. The number over $1,000 per month is .2%.

Table 1 G refers to mean income and expense amounts for the different family profiles. It shows that the overall average gross food stamp income for the entire caseload is $264.32. However, for the elderly, the average is $182.63 while the average for the large families, 6 - 8 members, is $414.24. Total deductible expenses on the average also vary by these different household types. It shows that the average for the entire caseload is approximately $82.45, the average for the elderly is $42.58, while that for the large families and the male-headed two children present is in the range of $120. College students have the highest level of deductions ($142), primarily because of tuition. The subtraction of gross food stamp income minus total deductible expenses gives net food stamp income, upon which the purchase requirement and bonus coupons are determined. This is an average of $185 for the entire caseload, reflecting a low of $141 and $109 for the elderly and college student, respectively, and a

Table 1 E

Selected Income, Deduction and Household Characteristics by Typical Food Stamp Household Types

Distribution of Deductions[c]	Entire NPA Caseload Including Puerto Rico	Male Head, Spouse, two children	6 to 8 in family	College Student as Head	Elderly
0	18.7	10.8	14.5	4.0	24.5
1 - 30	17.4	10.4	11.1	6.6	27.6
31 - 60	16.9	15.3	14.2	11.9	21.5
61 - 90	13.7	12.0	16.3	15.7	13.5
91 - 120	9.2	10.9	10.2	12.4	5.9
121 - 150	6.3	5.0	9.1	8.6	2.8
151 - 200	7.0	10.8	9.0	15.1	2.4
201 - 300	7.6	17.5	9.8	17.8	1.4
301 - 400	2.2	4.6	3.7	6.1	0.3
401 - 500	0.6	1.3	1.3	1.6	0.0
$\geq$ 500	0.5	1.5	0.8	0.2	0.0

Table 1 F
Selected Income, Deduction and Household Characteristics by
Typical Food Stamp Household Types

Distribution of[c] Gross Income	Entire NPA Caseload Including Puerto Rico	Male Head, Spouse, two children	6 to 8 in family	College Student as Head	Elderly
0	5.8	7.8	5.3	7.4	1.6
1 - 99	7.4	5.0	2.0	8.4	8.0
100 - 215	34.9	16.1	9.8	30.3	62.3
216 - 284	15.9	8.5	10.6	15.8	21.4
285 - 359	11.4	15.5	11.6	20.1	5.3
360 - 419	7.5	14.6	11.0	8.8	0.9
420 - 489	5.4	11.9	13.3	2.9	0.2
490 - 559	4.0	8.6	11.6	3.0	0.3
560 - 624	2.9	5.6	9.9	1.5	0.0
625 - 694	2.0	3.5	6.6	0.3	0.0
695 - 849	2.0	1.7	5.8	1.2	0.1
850 - 999	0.4	0.1	2.2	0.2	0.0
$\geq$ 1000	0.2	1.0	0.3	0.0	0.0

Table 1 G
Selected Income, Deduction and Household Characteristics by
Typical Food Stamp Household Types

	Entire NPA Caseload Including Puerto Rico	Male Head, Spouse, two children	6 to 8 in family	College Student as Head	Elderly
Gross Food Stamp Income[c]	264.33	336.86	414.24	238.42	182.63
Total Deductible Expenses[c]	82.45	128.28	107.06	142.45	42.58
Net Food Stamp Income[c,d]	185.57	214.15	309.19	109.83	141.03
Number of Individuals[c]	3.22	4.0	6.62	2.06	1.36
Monthly Purchase Requirement[c]	47.17	57.62	87.63	25.76	30.05
Monthly Bonus Coupons[c]	73.78	95.34	139.31	57.95	29.72

Table 1 H
Selected Income, Deduction and Household Characteristics by
Typical Food Stamp Household Types

	Entire NPA Caseload Including Puerto Rico	Male Head, Spouse, two children	6 to 8 in family	College Student as Head	Elderly
Income[b,e]					
Wages	135.74 (34.7)	247.37 (56.8)	286.55 (61.4)	124.34 (50.5)	9.32 (4.8)
Self-Employment	5.67 (3.6)	10.02 (5.9)	7.40 (3.8)	.92 (0.9)	1.40 (2.0)
Governmental Insurance Plans, Social Security, UI, Veterans	100.01 (48.6)	116.31 (39.8)	104.59 (35.6)	68.60 (24.7)	113.84 (72.5)
SSI	27.63 (25.7)	6.37 (5.3)	6.46 (5.2)	2.71 (1.4)	59.79 (59.7)
AFDC, GA[f]	13.03 (9.4)	4.78 (5.1)	33.50 (21.4)	3.41 (1.9)	.82 (1.5)
All Other	22.52 (21.5)	21.28 (15.2)	30.48 (25.2)	93.25 (59.4)	9.40 (15.1)
Total Gross Countable	304.56 (95.6)	406.13 (95.4)	468.99 (96.1)	292.68 (95.1)	194.56 (98.7)

Table 1 I
Selected Income, Deduction and Household Characteristics by
Typical Food Stamp Household Types

	Entire NPA Caseload Including Puerto Rico	Male Head, Spouse, two children	6 to 8 in family	College Student as Head	Elderly
Deductions[b,e]					
Work Related	27.06 (35.4)	53.58 (58.2)	51.77 (62.8)	26.80 (51.6)	2.17 (5.0)
Medical Expenses	12.40 (32.7)	15.78 (34.8)	14.11 (35.2)	7.55 (25.3)	13.14 (36.5)
Tuition and Mandatory Fees	1.39 (5.3)	4.08 (6.4)	3.08 (5.6)	52.30 (76.0)	.28 (0.4)
Child Care	1.60 (2.5)	1.78 (2.3)	.53 (1.5)	2.25 (3.7)	.37 (0.5)
Shelter	35.94 (57.5)	49.25 (59.0)	32.05 (44.3)	60.26 (85.5)	24.06 (56.9)
All Other	1.70 (3.7)	1.21 (4.6)	3.19 (6.4)	1.30 (4.4)	1.39 (1.0)
Total Deductions	82.08 (82.0)	125.68 (89.1)	104.72 (87.5)	150.46 (98.3)	41.41 (73.3)

a Does not include those households whose age is unknown. Because of this, the percents will not total to 100%.

b Tabulations are based upon reviewer information if present, otherwise certifying information is used. The income review was completed in 91.2% of the cases.

c Tabulations are based entirely upon certifying information.

d Average gross food stamp income minus average total deductable expenses will not yield average net food stamp income because of several households with zero gross income and positive deductions.

e Number in parenthesis is the percent of cases reporting this particular type of income or deduction.

f The presence of AFDC and GA payments are possible in this sample because the household is classified as Non-Public Assistance (NPA) if one or more members do not receive assistance even though other members of the household receive AFDC.

high of $309 for the large families. The average family size is 3.22 for the entire caseload. The elderly have an average family size of 1.36. The average monthly purchase requirement is $47 and the average bonus coupon amount is $73.78. Again, this varies drastically with respect to the different profiles.

The last group of information indicates the average income (Table 1 H) and deduction (Table 1 I) amounts by different types of income and deductions respectively. The overall average income is $304.56 of which $135.74 is wages, $5.67 is self-employment income, $100.01 is Social Security, unemployment insurance, or veterans' benefits, $27.63 is supplemental insurance income, $13.03 is public assistance grants and all other income is $22.52. The average gross income of $304.56 differs from the estimate of $264.32 on the previous page for the following reason. The $264.32 number is based entirely upon certifying information. The average of $304.56 is primarily based upon reviewing data. Since the reviewer found approximately $40 more income per household, the averages differ by this amount.

For larger-sized households, gross income increases while for elderly households the average is $194.56. For the elderly households the largest share of their income is governmental insurance plans while for the large families, the most important component of income is wages.

The number in parenthesis immediately below each average amount is the percent of cases having each of the itemized income and deduction amounts. For the entire population, 34.7% have wages income, 3.6% report self-employment income, 48.6% have insurance income of some form, 25.7% receive SSI,

9.4% receive public assistance grants and 21.5% receive other income. Overall 95.6% of the families have some income.

The largest single deduction overall is shelter which averages $35.94; work-related expenses are $27.06; medical, tuition, child care and other deductions are a total of $19.09, for an average deduction of $82.08 for each household. Average deductions are the largest ($150.46) for college student families and lowest for the elderly ($41.41).

Table 2

Table 2 displays average income levels by household size and age of head. The average total gross countable income is $304.56. The largest component is wage income accounting for $135.74 on the average followed closely by governmental insurance plans of $100.01 per household. Governmental Insurance plans include Social Security, Unemployment Insurance and Veterans' Benefits. Supplemental Security Income averages $27.63, with other welfare primarily AFDC, GA of $13.03, self-employment income of $5.67 and all other income averaging $22.51 making up the total. As one would expect, average household incomes vary by household size and age of the head. The average income for those over the age of 65 is $221.79, while those between the ages of 35- 64 have an average income of $338.02. The typical income profile varies by age and family size. For example, for the elderly, very little of their income comes from wages with the majority of the income coming from Supplementary Security Income and Social Security -- accounting for approximately 84% of all elderly household income. On the other hand, wages is by far the most important component for those households whose head is 64 or less.

Table 2[a]

Average Income Levels of the Participating April, 1975 NPA Caseload
by Selected Household Characteristics

Source of Income	Overall Average	Household Size				Age of Head			
		1	2-3	4-6	> 6	14-34	35-64	≥ 65	Unknown
Wages	135.74	20.16	99.09	239.22	323.74	201.41	163.63	18.91	127.28
Self-Employment	5.67	.64	6.90	8.34	10.04	6.40	7.81	1.80	3.40
Governmental Insurance Plans, Social Security, UI, Veterans	100.01	80.24	109.84	113.72	91.13	78.68	98.66	128.74	84.26
SSI[b]	27.63	47.92	32.36	6.26	9.68	2.18	25.37	58.10	35.74
AFDC, GA[c]	13.03	1.00	7.43	22.70	41.72	14.31	18.70	3.33	7.83
All Other[d]	22.52	14.87	20.96	30.78	27.94	29.79	23.89	10.93	29.55
Excluded Income[e]	12.56	5.93	15.05	17.08	12.52	14.34	19.35	1.34	2.62
TOTAL Gross Countable	304.56	164.80	276.54	420.98	504.22	332.74	338.02	221.79	288.04

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a The sum of sources of income will not total to either the certification or reviewing officer averages, if the review was completed, source of income comes from reviewing data, otherwise the certifying data is used. The review was completed in 91.2% of the sample.

b Supplemental Security Income benefits (SSI), and State supplementation for SSI.

c Includes Aid to Families with Dependent Children, general assistance payments, and other welfare programs.

d Includes support and alimony payments, educational loans, grants or scholarships, vendor payments.

e Includes earnings of a child under 18 years of age, loans, medical vendor payments, etc.

Table 3

Table 3 shows the percent of households receiving each of the itemized income items by household size and age of head. The first column shows the overall percentage of households with the selected income item. For example, 34.7% of all households had wage income; 3.6% has self-employment income; 48.6% had governmental insurance income of some kind; 25.7% had Supplemental Security income, while 9.4% has AFDC or other public assistance grants. 95.6% of all households has income of some kind or another. This implies that 4.4% of the households had zero income. As with Table 2, the percentage having the selected income items varies by age of head and household size. For families over the age of 64, only 6.8% had wage income while 78.5% of those were on some Governmental Insurance plan, and 59.7% were receiving Supplemental Security income. For those families between ages of 35 - 64, 39.3% had wage income.

Table 3[a]

Percent of Cases with the Following Income Items
by Selected Household Characteristics
April, 1975 NPA Caseload

Source of Income	Overall Percentage	Household Size				Age of Head			
		1	2-3	4-6	> 6	14-34	35-64	≥ 65	Unknown
Wages	34.7	11.2	30.9	54.1	65.6	53.1	39.3	6.8	34.4
Self Employment	3.6	0.9	4.9	4.8	5.1	3.2	5.1	2.0	2.3
Governmental Insurance Plans, Social Security, UI, Veterans	48.6	56.3	53.2	40.7	31.5	30.5	43.1	78.5	43.4
SSI[b]	25.7	49.6	25.9	5.3	7.9	1.6	20.8	59.7	29.0
AFDC, GA[c]	9.4	1.2	7.3	15.6	24.3	9.8	12.4	3.9	9.9
All Other[d]	21.5	18.2	20.6	24.6	25.7	21.5	23.5	16.6	29.8
Excluded Income[e]	2.8	1.8	3.4	3.1	3.3	3.9	3.3	1.2	0.9
TOTAL Gross Countable	95.6	95.2	94.9	96.5	96.8	92.0	95.7	99.9	94.5

a The sum of sources of income will not total to either the certification or reviewing officer averages, if the review was completed, source of income comes from reviewing data, otherwise the certifying data is used. The review was completed in 91.2% of the sample.

b Supplemental Security Income benefits (SSI), and State supplementation for SSI.

c Includes Aid to Families with Dependent Children, general assistance payments, and other welfare programs.

d Includes support and alimony payments, educational loans, grants or scholarships, vendor payments.

e Includes earnings of a child under 18 years of age, loans, medical vendor payments, etc.

Table 4

Table 4 shows the average income levels by category for those families with the selected income category separated by family size and age of head classifications. By examining column one, one finds that for those families with wage income, the average wage income was $391.18. This table shows the importance of the various income items to the families which have the selected item. For example, while self-employment income averages only $5.67 and only 3.6% report self-employed earnings, for those households with self-employment income, the average is $157.50.

Table 4[a]

Average Income Levels of the Participating April, 1975, NPA Caseload by Selected Characteristics -- Excluding those Households with no Income Amount by Source

Source of Income	Overall Average	Household Size				Age of Head			
		1	2-3	4-6	>6	14-34	35-64	≥65	Unknown
Wages	391.18	180.00	320.68	442.18	493.51	379.30	416.36	278.09	370.00
Self-Employment	157.50	71.11	140.82	173.75	196.86	200.00	153.14	90.00	147.83
Governmental Insurance Plans, Social Security, UI, Veterans	205.78	142.52	206.47	279.41	289.30	257.97	228.91	164.00	194.15
SSI[b]	107.51	96.61	124.94	118.11	122.53	136.25	121.97	97.32	123.24
AFDC, GA[c]	138.62	83.33	101.78	145.51	171.69	146.02	150.81	85.38	79.09
All Other[d]	104.74	81.70	101.75	125.12	108.72	138.56	101.66	65.84	99.16
Excluded Income[e]	448.57	329.44	442.65	550.97	379.39	367.69	586.36	111.67	291.11
TOTAL Gross Countable	318.58	173.11	291.40	436.25	520.89	361.67	353.21	222.01	304.80

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a The sum of sources of income will not total to either the certification or reviewing officer averages, if the review was completed, source of income comes from reviewing data, otherwise the certifying data is used. The review was completed in 91.2% of the sample.

b Supplemental Security Income benefits (SSI), and State supplementation for SSI.

c Includes Aid to Families with Dependent Children, general assistance payments, and other welfare programs.

d Includes support and alimony payments, educational loans, grants or scholarships, vendor payments.

e Includes earnings of a child under 18 years of age, loans, medical vendor payments, etc.

Table 5

Tables 5 and 6 are identical in that both tables array households as a percentage of the poverty level line by household size and age of head. The low index for Table 5 is created by multiplying the gross certifying income amount by 12 and dividing by the official OMB poverty guidelines which went into effect April 30, 1975. The first column of Table 5 indicates that 81.9% have incomes less than the poverty line. 10.8% have incomes between 100 and 125% of the poverty line, and 4.3% have incomes between 126% and 150% of the poverty line. It must be remembered that this percentage of poverty line is based upon April income only. It is quite likely that some of the families who are below poverty in this table could have higher earnings in the remaining months of the year and, consequently, if a 12-month accounting period or a calendar-year income estimate was used, a higher percentage of families would have incomes above the poverty line.

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Table 5[a]

Percentage Distribution of Gross Certified Income by Poverty Level Guidelines
for Families and Selected Household Characteristics
April, 1975 NPA Caseload

Percent of Poverty Level Gross Certified Income	Overall Percentage	Household Size 1	2-3	4-6	> 6	Age of Head 14-34	35-64	≥65	Unknown
0 - 1.0	81.9	89.9	77.6	75.5	89.3	74.1	82.4	88.8	87.2
1.01 - 1.25	10.8	6.4	14.0	13.5	7.1	14.7	10.0	8.7	7.2
1.26 - 1.50	4.3	2.0	4.7	6.8	3.2	5.3	5.0	2.1	3.5
≥ 1.51	2.9	1.7	3.7	4.2	0.4	5.9	2.6	.4	2.0
Column Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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[a] In computing the percent of poverty by variable, monthly income was multiplied by 12 and divided by the official OMB annual poverty guidelines. This table does not answer the question of the number of families above poverty for a 12-month period.

Table 6

Table 6 is identical to Table 5, except that it uses reviewing officer's estimates of income, rather than certifying. Only families where the income review has been completed have been included in the table. Because the reviewing officer on the average found more income, one would expect the percent below poverty to fall, which it has. The number of families less than the poverty line is 73.9% compared to 81.9% for the certifying officer. The number greater than 150% of the poverty line for the reviewing officer is 7.7% as compared with 2.9% for the certifying officer. Perhaps the best way of interpreting the difference between the two tables is remembering that the certifying officer's estimates probably come closer to what the real world will actually be like under similar program administration, and that the reviewing officer's estimates are probably more correct in terms of what the actual income level of food stamp families are.

Table 6[a]
Percentage Distribution of Gross Reviewed Income by Poverty Level Guidelines
for Families and Selected Household Characteristics
April, 1975 NPA Caseload

Percent of Poverty Level Gross Reviewed Income	Overall Percentage	Household Size 1	2-3	4-6	≥ 6	Age of Head 14-34	35-64	≥ 65	Unknown
0 - 1.0	73.9	86.3	66.4	66.2	80.8	64.8	73.8	82.6	78.2
1.01 - 1.25	12.3	7.7	16.7	13.1	10.8	15.0	11.5	11.2	10.9
1.26 - 1.50	6.1	2.9	7.7	8.3	5.0	7.1	7.0	3.9	5.0
≥ 1.51	7.7	3.1	9.2	12.5	3.4	13.2	7.7	2.3	5.9
Column TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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a In computing the percent of poverty variable, monthly income was multiplied by 12 and divided by the official OMB annual poverty guidelines. This table does not answer the question of the number of families above poverty for a 12-month period. This table only includes the portion (91.2%) of the sample on which the income review has been completed.

Table 7 shows the average deduction levels of the NPA caseload for all households and for households subdivided by size and age of household head. It should be noted that included in the average deduction dollar figures are those households who did not take the particular deduction(s), as these are average deductions for all households.

The average total deduction for all households is $82.09. Of this total, the largest deductions are for shelter expenses ($35.94) and work-related expenses ($27.06). The latter is composed of taxes ($17.42), work allowance ($8.41), and other ($1.25). Medical expenses ($12.40), child care which could also be considered work related ($1.60), tuition ($3.39), and other ($1.70) make up the remainder of allowable deductions.

The average total deduction decreases significantly with household age: those headed by a member 34 or younger took an average $113.89 deduction while those headed by a member 65 or older took an average deduction of only $40.13.

Excepting a small drop-off for households consisting of more than 6 members, the average total deduction increases with respect to household size: households of 4 - 6 members took an average $114.07 deduction, compared to 1-person households' average of $48.98.

Most of the difference in the average level of deductions with respect both to age and family size is due to differences in work-related expenses. For instance, of the $73.76 difference in total deductions between the youngest and oldest households,

Table 7[a]
Average Deduction Levels of the Participating April, 1975 NPA Caseload
by Selected Household Characteristics

Deductions	Overall Average	Household Size 1	2-3	4-6	>6	Age of Head 14-34	35-64	≥65	Unknown
Income Taxes (Federal, State, Local or Social Security	17.42	2.34	14.43	32.18	32.34	27.56	19.98	2.69	13.61
Mandatory Deductions	.86	.03	.58	1.50	2.52	.98	1.21	.23	.42
Work Allowance	8.41	1.73	7.02	14.17	17.50	13.13	9.56	1.23	8.74
Union Dues	.38	.03	.20	.82	.78	.63	.40	.10	.15
Medical Expenses	12.40	7.76	15.40	14.00	12.80	9.89	13.66	13.07	12.71
Tuition and Mandatory Fees	3.39	3.16	3.24	4.01	2.85	7.86	2.32	.32	2.60
Child Care	1.60	.18	2.57	2.39	.65	4.04	.65	.27	2.44
Shelter	35.94	32.01	37.50	42.28	24.79	48.49	37.59	20.39	30.07
All Other[b]	1.70	1.74	.97	2.73	.92	1.30	2.00	1.83	.69
TOTAL Amount	82.09	48.98	81.91	114.07	95.14	113.89	87.35	40.13	71.42
Total Work Related[c]	27.06	4.14	22.23	48.68	53.13	42.30	31.14	4.25	22.92

a. The sum of sources of deductions will not total to either the certification or reviewing officer averages. If the review was completed, source of deductions comes from reviewing data, otherwise the certifying data is used. The review was completed in 91.2% of the sample.

b. Includes court-ordered support and alimony payments and disaster or casualty losses.

c. Includes taxes, mandatory deductions (e.g., retirement), work allowance and union dues.

$38.08 is accounted for by the difference in these groups' work-related deductions. Shelter costs account for another $28.10 of the difference. With respect to family size, $44.54 of the $65.09 higher deduction taken by 4 - 6 member households compared to 1 - member households is accounted for by the work-related deductions. Again, shelter is the next most significant, explaining $10.27 of the difference in average deductions between these different household sizes.

Tuition and child care are highest for households headed by someone 14 - 34 years of age. Medical costs are relatively constant with respect to age, but are approximately half as large for single-person households as for multiple-person households.

Table 8

Table 8 shows the percent of households that take the various deductions for all households and for households subdivided by size and age of household head.

82.0% of all households in the NPA caseload took at least one itemized deduction. This percentage remains relatively constant across age and size characteristics.

The single most frequently taken deduction is for shelter which is claimed by over one-half (57.5%) of the caseload. Next most frequently claimed deductions are for work-related expenses (35.4%), and for medical expenses (32.7%). Child care, tuition, and other deductions (including alimony payments, disaster, and casualty losses) are taken by only a small percentage of households; 2.5%, 5.3%, and 3.7%, respectively.

Every deduction except those for tuition and for shelter tends to be claimed more frequently by larger than by smaller households. The percent of households claiming a shelter deduction declines with respect to household size. This is in part accounted for by the nature of food stamp eligibility standards and the shelter deduction itself. Income eligibility standards are much lower for a smaller size household than for a larger one, and only those shelter costs greater than 30% of net income (gross income minus all other deductions) can be deducted. Thus, it is very likely that a single person would have shelter costs higher than $58.20 representing 30% of his maximum allowable net income, and it is somewhat less likely that a 4-person house-

Table 8[a]
Percent of Cases with the Following Deduction Items by Selected
Household Characteristics - April, 1975 NPA Caseload

Deductions	Overall Percentage	Household Size 1	2-3	4-6	>6	Age of Head 14-34	35-64	≥65	Unknown
Income Taxes (Federal, State, Local or Social Security	29.6	7.0	25.2	49.3	58.8	47.1	33.0	4.6	28.7
Mandatory Deductions	3.9	0.3	2.8	7.1	9.2	5.1	5.0	0.9	2.4
Work Allowance	34.8	11.2	31.1	54.2	66.1	53.5	39.3	6.8	34.9
Union Dues	4.2	0.4	2.8	8.6	8.2	6.7	4.4	1.5	2.0
Medical Expenses	32.7	24.6	39.6	34.2	31.4	27.2	33.4	37.2	34.0
Tuition and Mandatory Fees	5.3	5.6	4.6	5.7	5.2	12.0	3.7	0.6	4.5
Child Care	2.5	0.3	3.8	3.8	1.6	5.9	1.3	0.3	4.3
Shelter	57.5	68.4	57.5	52.8	36.3	65.9	57.5	48.8	55.4
All Other[b]	3.7	1.7	3.6	5.3	5.2	5.2	3.8	2.0	2.3
TOTAL Amount	82.0	77.8	80.8	87.0	84.8	87.6	85.3	70.5	81.2
Total Work Related[c]	35.4	11.4	31.4	55.3	67.1	54.6	39.8	7.0	35.1

a. The sum of sources of deductions will not total to either the certification or reviewing officer averages. If the review was completed, source of deductions comes from reviewing data, otherwise the certifying data is used. The review was completed in 91.2% of the sample.

b. Includes court-ordered support and alimony payments and disaster or casualty losses.

c. Includes taxes, mandatory deductions (e.g., retirement), work allowance and union dues.

hold would have shelter costs higher than $153.90, representing 30% of its maximum allowable net income. Table 8 indicates that 68.4% of 1-person households were able to claim a shelter costs deduction, compared to 52.8% of 4 - 6 person households and only 36.3% of the largest households.

Every deduction, with the exception of medical expenses, is less likely to be claimed by an older than a younger household. The percentage of households taking the work-related deductions declines most dramatically, from 54.6% for the 14 - 34 group to 39.8% for the 35 - 64 group and only 7.0% for the 65 or older group. Tuition deductions are more than twice as likely to be claimed by younger households than by the caseload as a whole (12.0% as compared with 5.3%). The fact that the percent of those taking shelter deductions decreases with age of household head can partially be explained by realizing that nearly one-third of households age 65 or older reside in homes they own debt-free. Consequently, they have few out-of-pocket expenses to report each month and thus a lower percentage are eligible for the shelter deduction.

Table 9

Table 9 is similar in scope to Table 7, except that in calculating the average deduction levels for this table, those households not taking the given deduction(s) were excluded. This table shows the average deduction for those households taking the deduction.

This table can be read in conjunction with Table 8, which shows what percent of households are taking each of the different deductions. For example, from Table 8 it can be ascertained that 53.5% of households headed by someone age 14- 34 took a work allowance deduction; Table 9 then shows that the 53.5% in this age group who took this particular deduction had an average of $24.54. The $13.13 average work allowance deduction for the age 14 - 34 group in Table 7 is much lower, of course, because it includes the nearly half of these households who did not claim any work allowance deduction.

From Table 9 it can be seen that some of the deductions that appear relatively insignificant on Tables 7 and 8 do bear significantly on the net income of those households that actually take the deduction.

Table 9
Average Deduction Levels of the April, 1975 NPA Caseload by Selected Household Characteristics -- Excluding Those Households With no Deduction Amount by Type of Deduction[a]

Deductions	Overall Average	Household Size 1	2-3	4-6	> 6	Age of Head 14-34	35-64	≥ 65	Unknown
Income Taxes (Federal, State, Local or Social Security	58.85	33.43	57.26	65.27	55.00	58.51	60.55	58.48	47.42
Mandatory Deductions	22.05	10.00	20.71	21.13	27.39	19.22	24.20	25.56	17.50
Work Allowance	24.17	15.45	22.57	26.14	26.48	24.54	24.33	18.09	25.04
Union Dues	9.05	7.50	7.14	9.53	9.51	9.40	9.09	6.67	7.50
Medical Expenses	37.92	31.54	38.89	40.94	40.76	36.36	40.90	35.13	37.38
Tuition and Mandatory Fees	63.96	56.43	70.43	70.35	54.81	65.50	62.70	53.33	57.78
Child Care[b]	64.00	60.00	67.63	62.89	40.63	68.47	50.00	90.00	56.74
Shelter	62.50	46.80	65.22	80.08	68.29	73.58	65.37	41.78	54.28
All Other[c]	45.95	102.35	26.94	51.51	17.69	25.00	52.63	91.50	30.00
TOTAL Amount	100.11	62.96	101.37	131.11	112.19	130.01	102.40	56.92	87.96
Total Work Related[d,e]	76.44	36.32	70.80	88.03	79.18	77.47	78.24	60.71	65.30

a If the review was completed, data comes from reviewing data; otherwise the certifying data is used. The review was completed in 91.2% of the sample.
b Includes care of an elderly dependent person.
c Includes court-ordered support and alimony payments and disaster or casualty losses.
d Includes taxes, mandatory deductions (e.g., retirement) work allowance and union dues.
e Unlike Table 7 and 8, subtracting total work related figure from the total figure will not equal total non-work related deductions, nor will adding together the four work-related deductions equal the total work-related figure.

The average total deduction for those who take at least one deduction increases with household size and decreases with household age. Single-person households claim an average $62.96 in deductions, while multiple-person households claim over $100. Note that from Table 8 the percentage of single-person households claiming at least one deduction is approximately the same as that for larger households. The largest single factor in this difference is the increased work-related deductions claimed by larger households. This is to be expected, since larger households can qualify for food stamps at higher income levels than can single-person households, and the higher the income, the more likely it is earned income which implies higher axes and other work-related expenses.

Table 10

Table 10 shows the average deduction amounts taken by households according to households' gross monthly income. Here as in Table 7, the average deduction includes all households in the caseload.

As would be expected, the average total deduction increases as gross income increases. The largest single factor accounting for this increase is in work-related deductions. For example, households in the mid-$400-a-month income bracket take an average deduction of $104.25, while households with an income in the mid-$200's take an average deduction of $60.77. Of the $43.48 difference between the two income groups, $37.97 is accounted for by the higher work-related deduction by the mid-$400 households

Also, in part, the higher average deductions for higher gross income households is to be expected due to the nature of food stamp eligibility standards. At the higher income levels, only those households who are able to claim relatively large expenses for deductions will generally be able to qualify under the program's net income eligibility standards. This implies that the higher income households are to a degree a self-selected sample with respect to level of deductions.

From Table 10 it can be seen that higher income households do not on the average take larger shelter cost deductions than lower income families. Average shelter deductions appear to neither increase nor decrease with respect to monthly gross income. The different deduction amounts for shelter taken at each income level may be due to sampling variations and other factors unrelated directly to income.

It may appear puzzling that households with zero gross income claim an average of $41.92 in deductions. It is unknown whether the reviewing or certifying officer questions carefully for deductions when income is zero. If not, actual deductions which could be taken if income rose are probably understated. This in turn could understate the true average deduction slightly. Given the size of the average deduction for zero gross income households, the understatement is probably small. This deduction amount for zero-income households merely represents the certifying or reviewing officer's calculation of what deductible expenses these households did experience, even though they were not actually deducted. All but $4.33 of the zero income group's average "deduction" comes from shelter costs, so in effect their average "deduction" equals the average shelter costs for these households (since at zero income, all shelter costs would be deductible).

Table 10
Average Deduction Amounts by Gross Food Stamp Income
April, 1975 NPA Caseload[a]

Total Monthly Gross Income	Percent of Households[b]	Average Taxes	Average Work Allowance	Average Mandatory Deductions	Average Union Dues	Average Medical Expenses	Average Tuition/ Mandatory Fees	Average Child Care[c]	Average Shelter Costs	Average All Other Deductions[d]	Average TOTAL Deductions	Average TOTAL Work-Related Deductions[e]
0	5.8	0	0	0	0	2.43	1.89	0	37.59	0	41.92	0
1-99	7.4	.38	1.50	.05	.09	3.99	1.71	0	27.32	.01	35.04	2.02
100-215	34.9	.83	1.43	.02	.04	6.83	1.23	.23	30.48	1.27	42.34	2.31
216-284	15.9	2.93	4.03	.04	.03	12.78	2.42	.61	37.09	.84	60.77	7.04
285-359	11.4	9.25	8.67	.25	.10	16.06	3.63	.71	46.59	.57	85.83	18.26
360-419	7.5	16.01	12.49	.80	.44	17.86	3.43	4.54	51.94	3.40	110.91	29.74
420-489	5.4	25.62	17.17	1.48	.74	14.30	5.41	3.80	34.46	1.27	104.25	45.01
490-559	4.0	42.37	22.01	2.63	.56	22.18	6.79	5.48	37.20	3.20	142.41	67.57
560-624	2.9	60.78	24.74	2.57	1.52	23.31	5.95	3.40	39.68	2.48	164.41	89.61
625-694	2.0	72.56	26.64	4.12	1.37	22.24	4.73	5.90	30.33	1.18	169.07	104.70
695-849	2.0	81.78	27.18	2.83	1.52	21.54	4.57	5.49	35.41	6.49	186.82	113.31
850-999	0.4	106.79	29.01	10.71	2.30	24.78	16.13	4.74	19.65	12.26	226.37	148.82
≥1000	0.2	192.84	27.71	9.11	4.64	30.15	30.95	.82	30.78	9.45	336.45	234.30
Overall Average		17.42	8.41	.86	.38	12.40	3.39	1.60	35.94	1.70	82.08	27.06

a If the review was completed, data comes from reviewing data; otherwise the certifying data is used. The review was completed in 91.2% of the sample.
b The percentage in this column refers to certifying only.
c Includes care of an elderly dependent person.
d Includes court-ordered support and alimony payments and disaster or casualty losses.
e Includes taxes mandatory deductions (e.g., retirement) work allowance, and union dues.

Table 11

Table 11 complements Table 10 and shows the percent of households who take deductions by the level of household monthly gross income.

The percent of households taking at least one deduction increases with monthly gross income. With the exception of zero income households, three-quarters of the low income groups ($1 - $215/month) take some sort of deduction, while nearly all households with incomes above $600 a month take a deduction.

Most strikingly related to increased income is the incidence of work-related deductions. For example, only 20.9% of the $216-$284 income group claim work-related deductions, but four times as many (85.9%) of the $560 -$624 group claim them. The incidence of other deductions is greater (but less so) in the $560 -$624 group as compared with the $216 - $284 group.

As explained in the description of Table 10, the increased percentage of households taking deductions at higher income levels is to be expected partly due to the nature of food stamp eligibility standards, because at these income levels most households will only be able to qualify for food stamps (and thus show up in our sample) if they are able to claim some deductions.

The percent of households taking a shelter deduction is the only one which declines, slowly but steadily, with increased income. This is largely due to the nature of the shelter deduction itself, which, as explained in the description of Table 8, is

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Table 11
Percent of Households Receiving Deduction Amounts by Gross Food Stamp Income
April, 1975 NPA Caseload

Total Monthly Gross Income	Percent of Households[b]	Percent of Households With: Taxes	Work Allowance	Mandatory Deductions	Union Dues	Medical Expenses	Tuition/ Mandatory Fees	Child Care[c]	Shelter Costs	All Other Deductions[d]	TOTAL Deductions	TOTAL Work-Related Deductions[e]
0	5.8	0.0	0.0	0.0	0.0	3.9	2.3	0.0	41.1	0.0	41.3	0.0
1-99	7.4	9.7	27.4	0.8	1.1	15.9	3.4	0.0	64.6	0.5	78.8	27.4
100-215	34.9	7.0	11.7	0.3	0.6	23.0	2.6	0.5	63.5	1.2	75.5	11.9
216-284	15.9	14.0	20.9	1.1	0.7	35.8	4.7	1.1	58.8	2.4	80.9	20.9
285-359	11.4	31.6	36.8	2.9	1.0	36.3	6.3	1.1	60.7	2.7	87.2	38.0
360-419	7.5	41.3	46.6	5.6	6.5	40.2	7.2	7.2	60.5	6.5	91.4	48.6
420-489	5.4	57.6	61.6	8.2	8.5	39.4	7.9	6.8	51.9	6.1	89.8	64.4
490-559	4.0	73.6	77.4	14.3	9.0	48.3	7.4	7.6	45.1	12.9	93.2	77.6
560-624	2.9	84.1	85.8	10.5	13.9	58.4	8.4	5.6	57.9	8.9	95.8	85.9
625-694	2.0	90.5	90.9	14.2	17.1	54.8	7.7	7.5	47.9	6.9	97.4	91.8
695-849	2.0	90.4	92.4	11.1	18.1	51.6	13.0	7.4	42.8	9.6	99.0	92.7
850-999	0.4	97.0	98.3	25.2	13.1	60.5	8.7	7.4	24.3	10.9	100.0	99.2
≥1000	0.2	92.4	92.4	18.4	40.1	64.2	18.2	1.5	27.1	10.9	100.0	92.4
Overall Percentage		29.6	34.8	3.9	4.2	32.7	5.3	2.5	57.5	3.7	82.0	35.4

a If the review was completed, data comes from reviewing data; otherwise the certifying data is used. The review was completed in 91.2% of the sample.

b The percentage in this column refers to certifying only.

c Includes care of an elderly dependent person.

d Includes court-ordered support and alimony payments and disaster or casulaty losses.

e Includes taxes, mandatory deductions (e.g., retirement), work allowance and union dues.

allowed only for that portion of shelter costs exceeding 30% of net income. It is clearly more likely that a household with income of, say, $100 -$200 a month will experience shelter costs greater than 30% of its income than a household with an income of $600 - $700 will experience shelter costs greater than 30% of its income.

Table 12

Table 12 gives the cumulative percentage distribution of total monthly deduction amounts, in dollars, as taken by all households and by households according to size and age of head. In other words, the table shows what percent of a given type household takes less than x dollars in deductions.

For all households (the "overall percentage"), 18.7% take no deduction whatsoever, approximately one-third (36.1%) take $30 or less, approximately half (53.0%) take $60 or less, two-thirds (66.6%) take $90 or less, and three-quarters (75.8%) take $120 or less in monthly deductions.

From Table 12 it can be estimated that if a standard deduction of $90 was implemented, with the remainder of the program left unchanged, 53.0%* of current program NPA households would have their purchase price decreased by over $9, and 24.2% would have their purchase price increased by over $9. These figures can be determined because for every $1 change in net income there results roughly a $.30 change in the food stamp bonus (i.e., the benefit reduction rate is roughly 30%). Therefore, households currently claiming total deductions between $61 and $120 would find their purchase price reduced or increased by less than $9. It should be noted that even a $9 or less change in the purchase requirement may represent a significant reduction or increase in benefits for some households, particularly smaller households.

With respect to household size, Table 12 shows that if our hypothesized $90 standard deduction was implemented, smaller households would stand to gain. With the $90 deduction, *68.7%

Table 12
Cumulative Percentage Distribution of Total Monthly Deductions
by Selected Household Characteristics April, 1975 NPA Caseload[a]

Total Monthly Deductions	Overall Percentage	Household Size 1 (31%)	2-3 (31.6%)	4-6 (27.8%)	>6 (9.6%)	Age of Head 14-34 (28.3%)	35-64 (41.5%)	≥65 (25.5%)	Unknown (4.6%)
0	18.7	21.3	21.5	13.9	15.4	13.8	16.1	28.2	19.7
≤30	36.1	46.1	39.0	24.4	28.7	23.6	32.9	54.9	37.7
≤60	53.0	68.7	53.2	39.3	41.8	37.4	49.4	75.8	54.0
≤90	66.6	84.0	64.6	52.6	58.6	50.5	63.7	88.7	68.5
≤120	75.8	91.4	74.0	63.5	68.1	61.7	74.3	93.3	79.0
≤150	82.1	95.0	81.0	70.4	78.9	70.4	81.0	96.1	85.9
≤200	89.1	97.5	88.8	80.7	88.0	79.8	89.4	98.2	92.1
≤300	96.7	99.5	97.0	93.5	96.4	93.4	96.8	99.9	97.7
≤400	98.9	99.9	99.2	97.7	98.4	97.8	98.8	100.0	99.6
≤500	99.5	99.9	99.8	98.9	98.9	98.7	99.5	100.0	99.7

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a Figures are those of the certifying officer.

of single-person households would gain over $9 (i.e., would have their purchase price reduced), and only 8.6% would stand to lose over $9. But for 4 - 6 person households, only 39.3%* would gain over $9 with the $90 deduction, while an almost equal number, 36.5%, would lose over $9.

Again using a $90 standard deduction as a measure of the relative effects of a standard deduction on households with different characteristics, a benefit of over $9 would accrue to 37.4%* of the 14 - 34 age group, to 49.4%* of the 35 - 64 age group, and to 7.58%* of the 65 or older group. Conversely, benefits would be reduced more than $9 for 38.3% of the younger group, 25.7% of the middle group, and 6.7% of the oldest group.

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* the percentage figures for households standing to gain by a $90 deduction are somewhat exaggerated here, because the figures include some households whose entire gross income is less than $90.

Table 13

Table 13 shows the incidence of college students and strikers in the Food Stamp program. The total number of households with a college student is 185,000 out of a total of 3,312 million NPA cases. This represents 5.6% of all NPA cases. The total number of bonus coupons received by these households is 10.5 million per month or approximately 116 million per year. This assumes the level of college students drops by 33% during the three summer months. If the tuition deduction was not allowed, there would be an approximate program savings of 3 million dollars per month which is 1.4% of total NPA bonus dollars.

The next two rows of Table 13 show similar statistics for households headed by a college student regardless of age and those households claiming tuition for a secondary or elementary student. 139,000 households, or 4.2% of the NPA caseload, is headed by a college student.

The last row of Table 13 indicates the incidence of strikers. There are approximately 5,500 striker households on the program which is approximately .2% of the entire NPA caseload. They receive $463,000 per month, which is again approximately .2% of total NPA bonus dollars.

Table 13
Extent of Student and Striker Participation in the Food Stamp Program -- April, 1975

	Number of NPA Households	% of April NPA Caseload	Total Amount of[1] Bonus Dollars Received by These Households (in millions.)	% of Total April NPA Bonus Dollars	Approximate[2] Program Saving Tuition Deduction Was Eliminated (in millions)	% of Total NPA Bonus Dollars
Households with College Students	185,000	5.6%	10.5	4.9%	3.0	1.4%
Households where the Head is a College Student	139,000	4.2%	6.8	3.2%	2.2	1.0%
Households with Elementary or Secondary Students Claiming Tuition	40,000	1.2%	3.5	1.6%	0.5	.2%
Households with a Striker	5,500	.2%	.5	.2%	N.A.	N.A.

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[1] This column was estimated using reviewing data if present, otherwise certifying information was used.

[2] This was estimated by taking total tuition deductions claimed times .3.

Table 14

Table 14 depicts the difference between Puerto Rico and the United States for selected household characteristics. Puerto Rico represents 8.4% of the total NPA households and 10.9% of total NPA bonus dollars. The essential differences between the two regions are:

	Puerto Rico	U.S.
Average Family Size	4.02	3.14
Average Certifying Gross Income	$228.37	$267.63
Average Certifying Deductions	44.65	85.92
Average Bonus	95.9	71.75
Average Shelter Deductions	8.66	38.45
Percentage Spanish Surnamed	97.3%	8.2

The difference in the average level of deductions is substantial. Most of this difference is accounted for by the lower shelter deduction in Puerto Rico

Table 14
Selected Income, Deduction and Household Characteristics of Food Stamp Participants in the United States versus Puerto Rico

	Entire NPA Caseload, Including Puerto Rico	U.S. Only	Puerto Rico, Guam, and the Virgin Islands
Percentage of Caseload (Households)	100.0	91.6	8.4
Percentage of Bonus Dollars Received[c]	100.0	89.1	10.9
Race			
White	54.4	59.4	0.0
American Indian	0.5	0.5	0.0
Negro or Black	25.0	27.3	0.0
Spanish Surnamed	15.7	8.2	97.3
Orientals	0.2	0.2	0.0
All Others	0.4	0.4	0.5
Not Determined	3.8	3.9	2.2
Sex of Head			
Male	59.6	58.1	75.4
Female	40.4	41.9	24.6

Table 14 (continued)

	Entire NPA Caseload, Including Puerto Rico	U.S. Only	Puerto Rico, Guam and the Virgin Islands
Age of Head[a]			
14 - 24	9.5	9.6	8.0
25 - 34	18.8	18.2	26.1
35 - 44	15.7	15.0	23.2
45 - 54	11.7	11.9	9.1
55 - 64	14.2	14.7	8.5
≥ 65	25.5	25.5	25.1
Special Status			
% Households With:			
College Students	5.6	5.6	5.2
Elementary/Secondary	1.2	1.2	1.6
Strikers	0.2	0.2	0.1

Table 14 (continued)

	Entire NPA Caseload, Including Puerto Rico	U.S. Only	Puerto Rico, Guam and the Virgin Islands
Family Size[b]			
1	30.9	32.6	11.8
2	18.5	18.6	16.8
3	12.9	12.5	17.6
4	11.6	11.0	18.4
5	10.2	10.0	12.0
6	6.5	6.1	10.7
7	3.6	3.7	2.0
8	2.4	2.3	3.4
9 and above	3.4	3.2	7.3
Home Ownership			
Own home/mortgage	17.5	18.7	4.5
Own home/no mortgage	17.7	17.0	25.5
Do not own home	64.8	64.3	70.0

Table 14 (continued)

	Entire NPA Caseload, Including Puerto Rico	U.S. Only	Puerto Rico, Guam and the Virgin Islands
Poverty Level[c]			
0 - 1.0	81.9	81.3	88.8
1.01 - 1.25	10.8	11.2	6.9
1.26 - 1.50	4.3	4.3	3.9
≥ 1.51	2.9	3.2	0.4
Distribution of Deductions[c]			
0	18.7	17.0	37.9
1 - 30	17.4	17.6	15.7
31 - 60	16.9	16.8	18.0
61 - 90	13.7	13.7	13.5
91 - 120	9.2	9.6	5.5
121 - 150	6.3	6.5	3.9
151 - 200	7.0	7.4	2.1
201 - 300	7.6	8.1	2.8
301 - 400	2.2	2.4	0.3
401 - 500	0.6	0.6	0.2
≥ 500	0.5	0.5	0.1

Table 14 (continued)

	Entire NPA Caseload, Including Puerto Rico	U.S. Only	Puerto Rico, Guam and the Virgin Islands
Distribution of Gross Income			
0	5.8	5.6	7.7
1 - 99	7.4	6.2	20.7
100 - 215	34.9	35.7	26.0
216 - 284	15.9	16.4	10.3
285 - 359	11.4	11.3	12.2
360 - 419	7.5	7.1	11.1
420 - 489	5.4	5.7	2.2
490 - 559	4.0	3.9	5.6
560 - 624	2.9	3.0	2.0
625 - 694	2.0	2.2	0.8
695 - 849	2.0	2.1	1.1
850 - 999	0.4	0.5	0.3
≥ 1000	0.2	0.3	0.1

Table 14 (continued)

	Entire NPA Caseload, including Puerto Rico	U.S Only	Puerto Rico, Guam and the Virgin Islands
Gross Food Stamp Income[c]	264.33	267.63	228.37
Total Deductible Expenses[c]	82.35	85.92	44.65
Net Food Stamp Income[c]	185.57	185.59	185.35
Number of Individuals[c]	3.22	3.14	4.02
Monthly Purchase Requirement[c]	47.17	47.03	48.69
Monthly Bonus Coupons[c]	73.78	71.75	95.90

Table 14 (continued)

Income[b,e]	Entire NPA Caseload, Including Puerto Rico	U.S. Only	Puerto Rico, Guam and the Virgin Islands
Wages	135.74 (34.7)	132.04 (33.3)	176.36 (50.4)
Self-Employment	5.67 (3.6)	4.58 (3.0)	17.60 (10.2)
Governmental Insurance Plans, Social Security, UI, Veterans	100.1 (48.6)	102.70 (48.8)	70.22 (46.3)
SSI	27.63 (25.7)	30.06 (27.9)	1.20 (.7)
AFDC, GA[f]	13.03 (9.4)	14.08 (9.8)	1.60 (4.6)
All Other	22.52 (21.5)	23.74 (22.3)	9.27 (12.3)
TOTAL Gross Countable	304.56 (95.6)	307.19 (95.5)	276.25 (96.8)

Table 14 (continued)

	Entire Caseload, Including Puerto Rico	U. S. Only	Puerto Rico, Guam, and the Virgin Islands
Deductions[b, e]			
Work Related	27.06 (35.4)	26.84 (34.0)	29.52 (50.4)
Medical Expenses	12.40 (32.7)	13.11 (34.0)	4.63 (17.7)
Tuition and Mandatory Fees	3.39 (5.3)	3.44 (5.2)	2.85 (6.1)
Child Care	1.60 (2.5)	1.64 (2.5)	1.13 (3.2)
Shelter	35.94 (57.5)	38.45 (61.0)	8.66 (20.0)
All Other	1.70 (3.7)	1.65 (2.8)	2.25 (12.8)
TOTAL Deductions	82.08 (82.0)	85.13 (83.1)	49.05 (70.5)

a Does not include those households whose age is unknown. Because of this, the percents will not total to 100%.

b Tabulations are based upon reviewer information if present, otherwise certifying information is used. The income review was completed in 91.2% of the cases.

c Tabulations are based entirely upon certifying information.

d Average gross food stamp income minus average total deductable expenses will not yield average net food stamp income because of several households with zero gross income and positive deductions.

e Number in parenthesis is the percent of cases reporting this particular type of income or deduction.

f The presence of AFDC and GA payments are possible in this sample because the household is classified as Non-Public Assistance (NPA) if one or more members do not receive assistance even though other members of the household receive AFDC.

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TECHNICAL APPENDIX A

Description of the Food Stamp Quality Control Program and Data Processing Procedures.

The Food Stamp Quality Control System serves as a management tool to determine if non-public assistance[1] households are receiving the proper number of coupons. This determination is primarily based upon income deductions and size of the family. Additionally, quality control examines the correctness of those actions which deny participation to recipient or applicant households.

Quality control was implemented in the Food Stamp program in July 1972 and became operational on a nationwide basis in January 1975.

Each State agency has the responsibility for administration of its quality control system. The effectiveness of an individual State's quality control system depends upon sound administration of the component parts of quality control, i.e., universe construction and sample selection, the case review process, analysis of findings, and the formulation of corrective action to alleviate program weaknesses.

[1] A brief definition of a non-public assistance household is one in which at least one member is not a recipient of a federally aided public assistance grant.

In order to assure compliance with Federal instructions and regulations, a monitoring staff of the Food and Nutrition Service (FNS), U.S. Department of Agriculture, conducts, at a minimum, one review of the State agency's quality control operation each fiscal year. Those States with a semi-annual sample size of 800 or 1200 cases are reviewed twice during a fiscal year. The Federal review appraises the quality of the administrative and operational aspects of the system including, but not limited to, an assessment of sampling procedures, case review conduct and management, reporting techniques, and staffing levels.

The sample selection process must insure that each participating household has an equal probability of being selected. this guarantees that within sampling variation all household characteristics of the entire universe will be represented in the sample correctly. From these simple random samples within each state, it is a fairly easy task to obtain national totals, means and percents of any desired household characteristics.

Thirty-seven State agencies select the sample from a list of non-assistance households which actually purchased food stamp during the month. Several States select their sample from a list of certified eligible households. However, a case is reviewed only if the household actually purchased food stamps for the month. The remaining State agencies employ a combination

of certified eligible and participation listings in constructing the universe. States which select their list from other than a participation list must oversample to reach the desired sample sizes.

Due to a variety of reasons, certain households which are selected are not subject to quality control review. Households in which the only member has died and households which have moved out of State are examples of cases not subject to review..

The number of active sample selections required for a State is based upon the estimated monthly participating caseload for the six-month review period. Sizes of the semi-annual sample range from 75 to 1200. The following table depicts the required semi-annual sample size for participating cases.

TABLE A.1 - SEMI-ANNUAL SAMPLES FOR PARTICIPATING CASES

ESTIMATED MONTHLY CASELOAD DURING REVIEW PERIOD	SEMI-ANNUAL SAMPLE SIZE
40,000 and over	1200
27,000 - 39,999	800
18,000 - 26,999	550
10,000 - 17,999	300
7,000 - 9,999	200
5,000 - 6,999	150
Under 5,000	75

Sample size for the month of April is approximately one-sixth of the semi-annual sample size. As with any study, not all households were reviewed or included in the final sample as forwarded to the Committee. As mentioned previously certain cases are not subject to review. In addition, a case may be selected for review but the reviewer was unable to locate the household, or the household may have been unwilling to cooperate, or the State agency may not have had enough staff to complete the entire caseload. These incomplete reviews, for whatever reason, have a potentiality for distorting results. This question is addressed further in Appendix B.

The actual review process commences at this point. Each case selected in the sample is a igned to a quality control reviewer. This individual undertakes a case record review of the household's file at the local agency, conducts a home visit where the recipient is interviewed and additionally makes secondary contacts when necessary to verify any information which may affect the household's eligibility or basis of issuance.

Conclusive factual information is obtained during the review which verifies the household circumstances at the specific point in time, the review date. The review date is the first day of the month for which eligibility has been established for the household. This is the first day of the month for many cases and the day of certification for the remaining cases. The

review thus confirms that the household was eligible and participating at the correct basis of issuance and that changes affecting the household circumstances were handled appropriately.

The primary tool used by the reviewer in gathering the data for each household is the FNS-245, the household data sheet. This form provides a place for the reviewer to record the information and findings in relation to each step of the review, i.e., the case record and field reviews. The household data sheet contains full verification of the number of individuals residing in the household and the household's resources, income and deductions for the month. This information is needed by the reviewer to compute the basis of issuance and reach a decision on the household's eligibility for the month in which the case was selected.

For each six-month review period, the State agency reports to the Food and Nutrition Service on those areas of the program operation which are not functioning properly. The report defines those areas of the program operation exceeding preestablished tolerance limits and further provides case and dollar error rates by the nature and cause of error for the review period. The report

findings are used to initiate appropriate administrative procedures to reduce the incidence of errors in the Food Stamp program operation.

For purposes of the study, each State agency was requested to submit Form FNS-245 (the household data sheet) for each household selected in the April 1975 sample. The month of April 1975 was selected to capture the student population in addition to the fact that it was the most recent month of sample selections nearing completion at the time of the request.

Through the use of the competitive bid process, a firm was employed to code the information on the FNS-245 and keypunch the coded information. The company hired for the coding operation had an intensive background in data entry and the key supervisory personnel represented many years of experience.

The coding instructions were designed to allow extensive editing of the data by the computer, a minimum number of cards or data fields to be coded and no restrictions on the number of different types and amounts of income a family could have. In addition summary information from both the certifying and reviewing officer was coded. If the review was complete the detailed income and deduction data refers to the reviewing officer, otherwise certifying information is used. The instruction allows for seventy-seven different descriptive codes on the types of resources, income and deductions available to a household.

Automated computer edit checks were performed on the keypunched data cards to ensu logical and consistent coding. The various edit checks ensured that:

1. All cards were present for a given household. This included a check for the card containing general household information, the card(s) containing information on the household members, and the income detail card(s).

2. All fields were within the appropriate ranges and contained no characters except digits.

3. If the application was new, there was no information concerning a previous certification period.

4. An appropriate reason was given for every case in which the reviewing officer did not complete the income computation.

5. The certifying officer's total gross income minus total deductions equalled net food stamp income within rounding error.

6. The certifying and reviewing officer's coupon allotment values were correct for the household size as coded.

7. The certifying and reviewing officer's purchase requirement values were within rounding error given that household's family size, total gross income and total deductions.

8. The resource limitations were met as long as no information indicated the family had been declared ineligible due to resources. Additionally, if the household was ineligible due to resources, the coded values were checked to see if they exceeded the applicable $1500 or $3000 limitation.

9. The sum of the detailed income and deduction amounts on card 3, the income detail card, agreed with the total income and deduction amounts coded on the card containing the general household information, card 1.

10. The work allowance deduction was properly taken and the amounts coded for federal, State and local income taxes plus social security were reasonable.

11. At least one member of the household was designated as a student when a tuition and/or mandatory fees deduction was present.

12. At least one member of the household was designated as a striker when strike benefits were present.

13. Only one person was designated as the head of the household.

14. In come cases, sex of individual member(s) is unknown. However, sex was always to be designated for the head of the household.

15. The number of spouses in the household did not exceed one.

16. The age of the head of the household and the spouse was reasonable. (i.e., no age of head was allowed under 14 years of age.

17. Federally aided public assistance and Supplemental Security Income (SSI) benefits coded on the income detail card agreed with the coding of the number of individuals receiving this type of income on the general information card.

18. Old age assistance was not coded inappropriately.

19. The coding of the current or previous certification periods was correct. This included a check for an overlap of the certification periods, a check that the ending date of the current or prior certification periods was later than the beginning date, and a check for the length of the certification period for non-SSI households.

20. Information on home ownership is consistent with the mortgage payment information, and a rental payment did not exist alongside codes identified as home owning.

21. Spouse wages were not coded if a spouse was not present.

22. A family composed only of a head and/or spouse was not receiving AFDC.

23. Resources were present when property income was present.

24. In-kind shelter did not exceed the maximum allowable, i.e., $25.

25. The detail card(s) of the household members was consistent with the number of individuals coded on the general information card.

Upon encountering an error, the edit program issued the appropriate message and continued checking for other errors. The next step in the edit process consisted of checking the error messages on each case by returning to the information on the FNS-245 and making the appropriate corrections. Each case corrected in this manner was re-submitted to the edit program until the coded data fields reached the desired level of consistency and logic.

The edited data was then written to tape for storage and retrieval purposes. A final check was conducted to ensure that no duplicate families were present and that no families were missing.

With this level of quality control at each step of data processing, we are confident that any remaining errors within the data will not distort results. Also, as each of the tables in the report were prepared, all numbers were double-checked to guard against errors.

Technical Appendix B

Description of the Weighting Procedure and Discussion of the Problem of Non-Response

Weighting Procedure

As stated in the introduction, given that each State selects its NPA caseload randomly, the weighting procedure is straightforwa Essentially, each observation from the ith State is multiplied by the ratio Ni/ni where:

Ni -- total number of NPA cases in the ith State or territory (from USDA records).

ni -- total number of actual NPA cases from the i State in our final processed sample data fi

The total Ni is shown in Table B. 1 as Column C, while the ni i shown as Column J.

Non-Response

The total number of cases selected in each State for the April sample is Column D, Table B.1. As explained in Appendix A, the size of this sample is based upon the size of their NPA caseload. The number of cases actually selected in each State is an unofficial U S D A estimate for the month of April. For some States, the size of sample selected was obtained as th average of the six months.

Not all cases selected are actually completed. The reasons for this fall into two general categories: 1) those cases not subject to review, and 2) those cases which were subject to review but not completed. The former category includes those households moving out of State, death of single-member households, households who had been

in the quality control sample in one of the previous six months, households with a fraud case pending.

The second category of reason for not completing all the cases includes those households unwilling to cooperate, households who are unlocatable, and those households not completed because of a lack of time or staff.

The number of cases not subject to review and those not done are shown as Columns F and G. These are an average of the six months and is not strictly applicable to the month of April. Column E is obtained by subtracting Column F plus Column G from Column D.

Column H indicates the number of cases from each State which had a complete review including income, assets, work registration, etc. Column J indicates the number of cases for which the review was completed. The difference between the two is that when a reviewer discovers a case ineligible (e.g., residency, no cooking facilities, or asset ineligibility) he may legitimately skip completing the rest of the review. Consequently, the major portion (91.2%) of this sample have had all phases of the review completed. Column I indicates those cases not subject to review but for which certifying information is available.

Column K indicates the non-response rate for whatever reason. It is obtained by subtracting the total number of cases for which information is available (Column J) from the

Table B.1
Sample Sizes, Incompletes and Non-Response Rate by Individual States

(A) State Name	(B) Total # PA	(C) Total # NA	(D) Size of Sample Selected[a]	(E) # Completed[a] USDA	(F) Not Subject[a] to Review USDA	(G) Not[a] Done USDA	(H) Number Income Review Complete	(I) Not Subject to Review	(J) Number Review Complete	(K) Non-Response Cases with Rate	(L) No Income Information
Alabama	22017	86178	261	247	7	7	193	1	204	21.5	-
Arizona	10105	39972	127	47	6	74	11	0	11	91.3	2
Arkansas	14446	69591	201	191	7	3	182	3	198	1.5	-
California	328112	174540	284	199	17	68	133	2	155	45.4	68
Colorado	24965	29715	178	73	7	98	66	1	71	60.1	-
Connecticut	29484	23777	134	105	4	25	99	1	119	11.2	1
Delaware	4293	3969	11	8	1	2	10	0	11	0	-
District of Columbia[b]	29479	26305	47	44	2	1	54	1	58	0[c]	-
Florida	44571	193344	219	188	10	21	163	4	205	6.4	6
Georgia	47106	118203	214	197	14	3	189	4	207	3.3	6
Hawaii[b]	17907	12227	53	45	3	5	47	0	48	9.4	-
Idaho	5711	9810	39	26	2	11	18	0	22	43.6	-
Illinois	259646	71736	219	177	7	35	167	2	194	11.4	5
Iowa[b]	16465	24904	95	73	4	18	77	5	94	1.1	2
Kansas	10845	11634	53	51	2	-	47	0	49	7.5	-
Kentucky	27628	130156	249	227	10	12	213	0	219	12.0	15
Louisiana	42783	108441	230	217	6	7	192	1	202	12.2	1

Table B. 1 (continued)

(A) State Name	(B) Total # PA	(C) Total # NA	(D) Size of Sample Selected[a]	(E) # Completed[a] USDA	(F) Not Subject[a] to Review USDA	(G) Not[a] Done USDA	(H) Number Income Review Complete	(I) Not Subject to Review	(J) Number Review Complete	(K) Non-Response Cases with Rate	(L) No Income Information
Maine[b]	10693	36990	145	132	9	4	78	1	86	40.7	9
Maryland	67164	30618	109	104	3	2	67	0	70	35.8	-
Massachusetts	90374	73031	210	78	4	128	24	1	29	86.2	-
Minnesota	30715	35561	181	138	14	29	68	2	77	57.5	1
Mississippi	18795	83459	210	205	4	1	194	0	202	3.8	-
Missouri	42861	56210	232	216	11	5	206	0	210	9.5	20
Montana	4577	9080	25	20	1	4	15	0	17	32.0	-
Nebraska	6190	10401	57	52	3	2	53	1	54	5.3	-
Nevada	2363	9051	42	34	2	6	30	4	41	2.4	-
New Hampshire	7785	12708	65	60	4	1	57	0	62	4.6	-
New Jersey	86236	76529	272	248	9	15	198	0	205	24.6	-
New Mexico	11436	34455	132	114	9	9	102	0	108	18.2	1
New York	360027	74693	231	201	15	15	151	2	197	14.7	3
North Carolina	22891	145793	220	177	7	36	194	0	199	9.5	-
North Dakota	1302	4630	14	13	1	0	14	0	14	0	-
Ohio	156984	151844	228	215	7	6	157	2	166	27.2	1
Oklahoma	14863	52398	212	204	4	4	196	2	208	1.9	-

Table B. 1 (continued)

(A) State Name	(B) Total # PA	(C) Total # NA	(D) Size of Sample Selected[a]	(E) # Completed[a] USDA	(F) Not Subject[a] to Review USDA	(G) Not[a] Done USDA	(H) Number Income Review Complete	(I) Not Subject to Review	(J) Number Review Complete	(K) Non-Response Cases with Rate	(L) No Income Information
Oregon[b]	33663	49623	199	168	14	17	172	12	214	0[c]	2
Pennsylvania	176091	122171	219	206	10	3	174	0	184	15.5	-
Rhode Island[b]	17082	16374	64	47	3	14	45	0	48	25.0	10
South Carolina	16883	108228	192	117	8	67	159	1	168	12.5	4
South Dakota	3616	7251	50	46	3	1	33	0	34	34.0	1
Tennessee	24305	105539	225	200	18	7	183	3	209	7.1	1
Texas	63737	264048	196	185	8	3	170	5	183	6.6	6
Utah[b]	11546	5673	17	14	2	1	34	0	34	0[c]	-
Vermont	9734	10323	38	34	2	2	28	0	35	7.0	2
Virginia	28348	61740	155	143	7	5	145	0	151	2.6	3
Washington	40237	61677	239	212	11	16	207	11	233	2.5	2
West Virginia	33614	36498	220	193	20	7	140	0	140	36.4	-
Wisconsin	24845	22030	102	35	3	64	17	0	21	79.4	-
Wyoming	1299	2326	16	13	1	2	12	0	16	0	-
Guam	387	2154	15	14	1	0	13	0	15	0	-
Puerto Rico	50650	270769	220	172	28	20	133	0	152	30.9	-
Virgin Islands	655	5446	21	19	1	1	24	0	24	0[c]	-

a Unofficial USDA estimates

b The sample size selected for the month is an average of the total number of cases sampled for the six-month period by the State agency

c This number and percentage would be negative amounts because of averaging the six-month sample selections to arrive at a monthly figure.

total number of cases selected (Column D) and dividing by the total number of cases selected (Column D). The last column indicates the number of cases forwarded from the State for which no income information was available. These have not been included in any of the tables in this analysis.

The information in Table B.1 has been summarized in Table B.2. For the entire caseload, 7,696 cases were selected, 5,873 cases were completed for a non-response rate of 23.7%. For three States, Indiana, Michigan and Alaska, no information was used. If these States are completely eliminated, the non-response rate becomes 20.5%.

If these incompletes are random, the analysis presented in this report will be unaffected. If, however, the incompletes are radically different from the completed caseload, the statistics reported in this study will be misleading. One cannot tell from the reasons and their respective frequency as to whether a non-response problem exists. One could argue that elderly families are less likely to move, at home a greater percentage of the time, etc., and therefore the completed sample might have an overabundance of elderly households. On the other hand, reasons such as death of single-member units will result in an overabundance of young households.

75-969 O - 76 - 13

Table B. 2

Sample Sizes, Incompletes and Non-Response Rate by United States versus Puerto Rico

		Total United States and Puerto Rico	Total U.S. -- Not Including Alaska, Indiana, Michigan	Puerto Rico, Guam Virgin Islands	Total -- Includes Puerto Rico, Indiana, Michigan, Alaska
b	Total PA	2,403,511	2,351,819	51,692	2,582,407
c	Total NPA	3,183,823	2,905,454	278,369	3,312,510
d	Size Sample Selected [a]	7,387	7,131	256	7,696
e	# Completed-USDA [a]	6,144	5,939	205	6,408
f	Not Subject to [a] Review-USDA	581	551	30	598
g	Not Done-USDA [a]	932	911	21	954
h	# Income Review Complete	5,354	5,183	171	5,354
i	Not Subject to Review	72	72	0	72
j	# Review Complete	5,873	5,682	191	5,873
k	Non-Response Rate	20.5	20.3	25.0	23.7
l	# With No Income Information	172	172	0	172

a Based on unofficial USDA Estimates

An Ideal Non-Response Study

One solution to the non-response problem would be to reinterview a small subsample of the households for which no form was completed. Comparisons between these households and the actual sample would determine if the uncompleted forms biased the statistics in this study. This solution is not feasible because of cost, problems of confidentiality, Federal-State relations and households would no longer be able to recall April, 1975, income and deduction data. At a mininum, their recall may be biased introducing additional problems in analysis.

The ideal solution to the non-response problem would be the gathering of several data variables from administrative records like family size distribution, bonus size average and distribution, and race. These variables would then be compared with statistics from the sample survey and if they were within sampling variation, one could feel fairly confident that the sample was not biased with respect to net income, family size and race. If no bias exists on these variables it does not prove but makes it unlikely that there is bias with respect to total deductions, home ownership, gross income and other variables of interest.

Current Evidence

Thus far, we have been unable to gather the administrative records to do an ideal non-response study. However, it is highly unlikely that the problem of non-response is biasing the statistics in this study to any significant degree for the following reasons:

1. Study statistics are roughly comparable where applicable to similar characteristics in other

studies such as Chilton, and the Current Population Survey.

2. The statistics are not very sensitive to different weighting schemes. In table B.3 (similar to Table 1 in the text) selected income, deduction and household characteristics are shown using different weighting schemes. Column one of Table B.3 is the total NPA caseload where the three missing States have assumed to be equal to the average of all the other States' characteristics. The incompletes within each State have been assumed to be like the completed sample within each State.

   Column two assumes Indiana and Michigan are like the remaining North Central states (i.e., Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, Ohio and Wisconsin). The few cases in Alaska are assumed to be like the average of all the other States and again the incompletes within each State are assumed to be like the completed sample within each State.

   Column three eliminates all the information for those States where the non-response rate exceeds 50% (i.e., Arizona, Colorado, Massachusetts, Minnesota and Wisconsin) on the assumption that the completed sample in those States was different from the not completed sample. Essentially, removing these additional five States from the analysis had little effect upon the results. Compare Columns one, two and three.

Table B. 3

Selected Income, Deduction and Household Characteristics by Different Weighting Schemes

	Entire NPA Caseload Including Puerto Rico	Entire NPA Caseload Weighting Indiana & Michigan by States in the North Central Region	Entire NPA Caseload Less Arizona, Colorado, Massachusetts, Minnesota, Wisconsin	Income Review Completed
Race				
White	54.4	55.0	53.1	55.6
American Indian	0.5	0.5	0.5	0.5
Negro or Black	25.0	24.7	26.8	25.8
Spanish Surnamed	15.7	15.5	15.3	15.5
Orientals	0.2	0.2	0.2	0.2
All Others	0.4	0.4	0.3	0.3
Not Determined	3.8	3.8	3.7	2.1
Sex of Head				
Male	59.6	59.4	58.7	59.2
Female	40.4	40.6	41.3	40.8

Table B. 3 (continued)

	Entire NPA Caseload Including Puerto Rico	Entire NPA Caseload Weighting Indiana & Michigan by States in the North Central Region	Entire NPA Caseload Less Arizona, Colorado, Massachusetts, Minnesota, Wisconsin	Income Review Completed
Age of Head[a]				
14 - 24	9.5	9.4	9.1	8.8
25 - 34	18.8	18.8	18.1	18.3
35 - 44	15.7	15.6	15.5	16.0
45 - 54	11.7	11.7	11.7	11.5
55 - 64	14.2	14.3	14.5	14.2
≥ 65	25.5	25.7	26.4	26.5
Special Status				
% of Households with:				
College Students	5.6	5.5	5.2	5.2
Elementary/Secondary	1.2	1.2	1.3	1.2
Strikers	0.2	0.2	0.2	0.2

Table B. 3 (continued)

	Entire NPA Caseload Including Puerto Rico	Entire NPA Caseload Weighting Indiana & Michigan by States in the North Central Region	Entire NPA Caseload Less Arizona, Colorado, Massachusetts, Minnesota, Wisconsin	Income Review Completed
Family Size[b]				
1	30.9	31.3	31.4	30.8
2	18.5	18.5	18.8	18.5
3	12.9	12.8	12.4	12.6
4	11.6	11.6	11.5	11.5
5	10.2	10.0	10.1	10.4
6	6.5	6.5	6.4	6.3
7	3.6	3.6	3.5	3.7
8	2.4	2.4	2.4	2.4
9 and above	3.4	3.3	3.5	3.8
Home Ownership				
Own Home/mortgage	17.5	17.5	17.2	18.0
Own Home/no mortgage	17.7	17.7	18.2	18.2
Do Not Own Home	64.8	64.8	64.7	63.8
Poverty Level[c]				
0 - 1.0	81.9	82.0	83.2	82.6
1.01 - 1.25	10.8	10.8	10.5	10.7
1.26 - 1.50	4.3	4.3	4.0	4.0
$\geq$ 1.51	2.9	2.9	2.3	2.7

Table B. 3 (continued)

Distribution of Deductions	Entire NPA Caseload Including Puerto Rico	Entire NPA Caseload Weighting Indiana & Michigan by States in the North Central Region	Entire NPA Caseload Less Arizona, Colorado, Massachusetts, Minnesota, Wisconsin	Income Review Completed
0	18.7	18.7	19.3	18.6
1 - 30	17.4	17.5	18.2	18.0
31 - 60	16.9	16.9	17.4	16.8
61 - 90	13.7	13.7	13.5	13.8
91 - 120	9.2	9.3	9.2	9.4
121 - 150	6.3	6.2	6.0	6.2
151 - 200	7.0	6.9	6.9	6.9
201 - 300	7.6	7.6	6.8	7.3
301 - 400	2.2	2.2	1.9	2.1
401 - 500	0.6	0.6	0.6	0.5
$\geq$ 500	0.5	0.5	0.4	0.5

Table B. 3 (continued)

	Entire NPA Caseload Including Puerto Rico	Entire NPA Caseload Weighting Indiana & Michigan by States in the North Central Region	Entire NPA Caseload Less Arizona, Colorado, Massachusetts, Minnesota, Wisconsin	Income Review Completed
Distribution of Gross Income[c]				
0	5.8	5.7	5.9	5.0
1 - 99	7.4	7.4	7.7	7.2
100 - 215	34.9	35.3	35.7	35.6
216 - 284	15.9	15.9	16.1	16.4
285 - 359	11.4	11.3	11.3	11.8
360 - 419	7.5	7.4	7.3	7.3
420 - 489	5.4	5.4	5.3	5.4
490 - 559	4.0	4.0	3.9	3.8
560 - 624	2.9	2.9	2.7	2.9
625 - 694	2.0	2.0	2.0	2.1
695 - 849	2.0	2.0	1.6	1.9
850 - 999	0.4	0.5	0.4	0.4
$\geq$ 1000	0.2	0.2	0.2	0.3

Table B. 3 (continued)

	Entire NPA Caseload Including Puerto Rico	Entire NPA Caseload Weighting Indiana & Michigan by States in the North Central Region	Entire NPA Caseload Less Arizona, Colorado, Massachusetts, Minnesota, Wisconsin	Income Review Completed
Gross Food Stamp Income[c]	262.34	263.58	257.82	265.14
Total Deductible Expenses[c]	82.45	82.26	78.43	81.00
Net Food Stamp Income[c]	185.57	185.01	183.12	187.27
Number of Individuals[c]	3.22	3.20	3.19	3.24
Monthly Purchase Requirement[c]	47.17	46.94	46.40	47.60
Monthly Bonus Coupons[c]	73.78	73.34	73.70	73.91

Table B. 3 (continued)

	Entire NPA Caseload Including Puerto Rico	Entire NPA Caseload Weighting Indiana & Michigan by States in the North Central Region	Entire NPA Caseload Less Arizona, Colorado, Massachusetts, Minnesota, Wisconsin	Income Review Completed
Income[b]				
Wages	135.74 (34.7)	134.03 (34.3)	127.32 (33.7)	138.12 (34.9)
Self-Employment	5.67 (3.6)	5.63 (3.6)	5.47 (3.6)	5.45 (3.5)
Governmental Insurance Plans, Social Security, UI, Veterans	100.01 (48.6)	100.20 (48.7)	98.28 (48.8)	102.35 (49.8)
SSI	27.63 (25.7)	28.07 (26.1)	28.80 (26.6)	28.63 (26.8)
AFDC, GA	13.03 (9.4)	12.93 (9.3)	13.09 (9.4)	12.50 (9.2)
All Other	22.52 (21.5)	22.52 (21.3)	22.80 (21.9)	22.48 (21.6)
Total Gross Countable	304.56 (95.6)	303.35 (95.7)	295.75 (95.5)	309.52 (96.6)

Table B. 3 (continued)

	Entire NPA Caseload Including Puerto Rico	Entire NPA Caseload Weighting Indiana & Michigan by States in the North Central Region	Entire NPA Caseload Less Arizona, Colorado, Massachusetts, Minnesota, Wisconsin	Income Review Completed
Deductions[b]				
Work Related	27.06 (35.4)	26.74 (35.0)	24.88 (34.5)	27.64 (35.7)
Medical Expenses	12.40 (32.7)	12.35 (32.4)	12.02 (31.9)	12.39 (33.0)
Tuition and Mandatory Fees	3.39 (5.3)	3.37 (5.2)	3.02 (5.0)	3.18 (5.1)
Child Care	1.60 (2.5)	1.57 (2.5)	1.68 (2.6)	1.45 (2.3)
Shelter	35.94 (57.5)	36.01 (57.8)	35.06 (56.5)	34.41 (56.7)
All Other	1.70 (3.7)	1.68 (3.6)	1.72 (3.6)	1.74 (3.7)
Total Deductions	82.08 (82.0)	81.70 (82.0)	78.37 (81.6)	80.81 (82.1)

a Does not include those households whose age is unknown. Because of this, the percents will not total to 100%.

b Tabulations are based upon reviewer information if present, othewise certifying information is used. The income review was completed in 90.7% of the cases.

c Tabulations are based entirely upon certifying information.

3. Given our relatively large sample sizes, the incompleted sample must be radically different from the completed caseload to alter statistics significantly. For example, if the entire Puerto Rico sample (8.4% of the caseload) had been missed, the effect on the level of total deductions and family size would have been comparatively small. The average level of deductions in Puerto Rico is $49.05, while the U.S. average is $85.13. However, the inclusion of Puerto Rico only decreases the average level of deductions to $82.08 (see Table 14).

4. If one assumes that the reasons underlying incompletes within the sample are like the reasons some cases have only certifying information rather than the entire review completed, some knowledge about potential bias may be obtained by comparing income review completed cases with all cases. At a minimum one can conjure some reasons why the income review completed sample could be different from the sample where only a part of the review has been completed. However, by comparing Columns 4 versus the other columns in Table B.3, one finds no striking differences.

Essentially with this evidence and reasoning, pending further study, we are confident that these statistics are reasonably close to the truth as it existed in the April, 1975, NPA Caseload.

APPENDIX IV

Student Participation in the Food Stamp Program

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U.S. House of Representatives
Committee on Agriculture
Room 1301, Longworth House Office Building
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L. T. EASLEY,
PRESS ASSISTANT

November 14, 1975

Dear Mr. Staats:

As you know, the House Committee on Agriculture is undertaking a rather large scale study into the Food Stamp Program, and GAO is in the process of doing a study on the length of food stamp certification delays, if any, experienced around the country. Additionally, the Committee is focusing on the extent of participation in the Program by various controversial groups. It is with regard to the participation of one of these so-called controversial groups, college students, that I write this letter.

There is little current data with regard to who participants in the Program really are. I have found that attitudes about whether strikers, students, migrants, military personnel and the like are a formidable part of the caseload are based largely on individual feelings about whether these groups should participate. Therefore, it is my hope that the Agriculture Committee, with the help of GAO, can shed some light on actual numbers and characteristics of participants.

Accordingly, my staff has made a tentative agreement with the GAO staff with regard to how we can get some data on the extent of college student participation. Working together, the two staffs have made a preliminary proposal, allowing GAO to obtain objective figures and Committee staff to follow up with subjective data gathering, to select six colleges with geographic distribution, variable tuition rates, urban-rural distribution, public-private distinctions, etc., to determine the number of student head-of-household participants on a caseload basis. There would be three large schools (over 15,000 student body) and three small ones (under 15,000 student body), with a comparison of 5% of the college enrollment against the Food Stamp Office caseload in the case of the large schools and a 15% comparison in the case of the small schools.

The GAO check of the case files would also provide information on household income and other types of aid (welfare payments, Veterans' benefits, etc.) being received, applicability of work registration requirement, "bonus value" per allotment, and household size and composition, etc.

At the end of the data collection process, GAO would analyze and summarize the data, showing numbers, averages and ranges. No attempt would be made to generalize nationally, but generalizations could be made among the six schools in the sample. Your staff has indicated to us that a total calendar time of 4 - 5 months would be needed for the project but in no case would the work be finalized later than April 1976. The Committee anticipates hearings on Food Stamp reform in the spring of 1976. Therefore, in order for this segment of the study to fit into the whole overall study plan, we are striving for an early spring completion date. The Committee staff would work rather closely with the GAO field staff during the course of the project.

Since this project may be interpreted by some as being somewhat sensitive in nature, I will make the initial explanations to the college officials and will provide both staffs with a copy of this explanation to use in the conduct of their work.

I would like to formalize this tentative agreement between the House Agriculture Committee and GAO to undertake the study described above and request the GAO report to be presented to the Committee on a confidential basis. I sincerely appreciate the cooperative attitude of all GAO personnel with whom we have worked on this and other projects and look forward to a continued warm working relationship.

With kindest regards,

Sincerely,

Thomas S. Foley
Chairman

The Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office Building
441 G Street
Washington, D.C. 20548

TSF:mja

COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

RECEIVED HOUSE AGRICULTURE COMMITTEE
DEC 5 - 1975

A-51604 December 2, 1975

The Honorable Thomas S. Foley
Chairman, Committee on Agriculture
House of Representatives

Dear Mr. Chairman:

We are proceeding with arrangements for making a study of college student participation in the food stamp program along the lines described in your letter of November 14, 1975. We believe that the approach of you making the initial explanations of the study's purpose to officials of the six colleges selected should prove very helpful. Throughout our work, we plan to keep in close touch with your staff so that the information obtained may be timely and useful to your Committee.

Sincerely yours,

R. F. Keller

Comptroller General
of the United States

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U.S. House of Representatives
Committee on Agriculture
Room 1301, Longworth House Office Building
Washington, D.C. 20515

December 2, 1975

Dear :

In preparation for consideration of food stamp reform legislation to be undertaken early next year by the House Committee on Agriculture, the Committee is in the process of a study of the entire food stamp program. One of the areas of focus in the study is the participation in the program by various so-called "controversial" groups, and it is in regard to this issue that I write this letter.

As the food stamp program is fairly new among our nation's assistance programs, there is little current data with regard to who participants in the program really are. I have found that attitudes about whether strikers, students, migrants, military personnel and others are a significant part of the caseload are based largely on individual feelings about whether these groups should participate rather than on whether they are participating. Therefore, the House Agriculture Committee is attempting to gather data concerning these groups so we can make more informed judgments about the scope of the program.

Accordingly, with regard to the extent of student participation, the General Accounting Office has been requested by this Committee to work with Committee staff in an effort to gather data on the extent of college student participation. Working with GAO, we have selected six schools with geographic distribution, variable tuition rates, urban-rural distribution, public-private distinctions, etc., to determine the number of student head-of-household food stamp users on a caseload basis.

The **(name of university)** has been selected as one of the six schools in the survey. Very shortly GAO will be approaching officials on your campus to gather objective data on your institution's enrollment, housing patterns, financial aid trends, etc. After this information has been gathered, several staff members from the Agriculture Committee will follow up with the subjective data collection from educational officials, students and food stamp officials. Any GAO or Committee staff person who comes to your campus will have a copy of this letter to serve as a letter of introduction.

December 2, 1975
Page 2

I shall appreciate your cooperation and that of other officials on campus in assisting with this study in order that our Committee may be better informed on this important issue. Be assured that the survey is not being undertaken in an effort to either include or exclude students from the food stamp program. The selection of the **(name of university)** is not based on any complaints brought to the attention of the Committee regarding the program at the **(name of university)** nor does it constitute any special singling out of the **(name of university)** exce as it reflects an institution which is typical of the general guidelines for the study.

With kindest regards,

Sincerely,

Thomas S. Foley
Chairman

TSF:mjw

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U.S. House of Representatives
Committee on Agriculture
Room 1301, Longworth House Office Building
Washington, D.C. 20515

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PRESS ASSISTANT

January 23, 1976

Dear :

This letter is with further reference to my letter of December 2, 1975, in which I briefly described the portion of the House Agriculture Committee's food stamp study which deals with the degree of college student participation in the food stamp program.

By now the General Accounting Office has approached your campus officials in an effort to gather statistical information for our study, and I very much appreciate the cooperation your institution has extended them. The enclosed questionnaire represents the Agriculture Committee staff data collection effort for their segment of the Committee study. I shall appreciate very much your completing this questionnaire and returning it by February 18, 1976, to the attention of Miss Mary Jarratt at the following address:

Committee on Agriculture
Room 1301, Longworth House Office Building
U.S. House of Representatives
Washington, D. C. 20515

This questionnaire is directed to data on full-time students only, exclusive of all night students. Should you have any questions concerning your questionnaire response, please contact Miss Mary Jarratt of the Committee staff at telephone 202 225-2171.

It is possible that upon receipt of the questionnaire responses, Committee staff may require either personal or telephone follow-up interviews with one or more campus officials. Should a personal interview be desired with any of your campus officials, the Committee staff member will, of course, be in touch with you to request the interview.

January 23, 1976
Page 2

I want to reiterate my December 2 assurance that this study is not being undertaken with the intent of either including or excluding students from the food stamp program; rather, it is merely seeking participation data. Additionally, the selection of the **(name of university)** for our study did not represent a choice based on complaints brought to our attention regarding the **(name of university)** nor does it reflect any other singling out of your institution except as it is reflective of an institution meeting the general statistical guidelines of the study.

On behalf of the other Members of the House Committee on Agriculture, I thank you for all the cooperation you have extended in connection with this survey.

With kindest regards,

Sincerely,

Thomas S. Foley
Chairman

TSF:mjw

Enclosure

THOMAS S. FOLEY, WASH.,
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PRESS ASSISTANT

COMMITTEE ON AGRICULTURE
U.S. HOUSE OF REPRESENTATIVES
FOOD STAMP QUESTIONNAIRE

Name of Institution _____

Date _____

Institution Officials Involved in Questionnaire Response:

Name _____

Title _____

Name _____

Title _____

Name _____

Title _____

Name _____

Title _____

1. What is the total dollar cost per single UNDERGRADUATE student for one year of attendance on your campus (sum of components below)? Residential $_____ Off-Campus $_____.

   What is the breakdown for:

	RESIDENTIAL (Institutional Housing)	OFF-CAMPUS (Commuters and others)
(a) Tuition and fees --	_____	_____
(b) Room --	_____	_____
(c) Board --	_____	_____
(d) Books --	_____	_____
(e) Miscellaneous --	_____	_____

2. What is the total dollar cost per single GRADUATE student for one year of attendance on your campus (sum of components below)? Residential $_____ Off-Campus $_____.

	RESIDENTIAL (Institutional Housing)	OFF-CAMPUS (Commuters and others)
(a) Tuition and fees --	_____	_____
(b) Room --	_____	_____
(c) Board --	_____	_____
(d) Books --	_____	_____
(e) Miscellaneuous --	_____	_____

3. Do you use these full costs or a reduced budget in assessing student need for financial aid?

   If you use a reduced budget, what is the dollar value? $_____.

   What are its components?

4. With regard to UNDERGRADUATES, how many students are receiving financial aid?

   _____

5. With regard to GRADUATE students, how many are receiving financial aid (all types of aid, such as fellowships, assistantships, including teaching, etc.)?

_____

6. To what extent is your institution able to meet its financial aid requests for:

UNDERGRADUATES		GRADUATES	
100%	_____	100%	_____
75%	_____	75%	_____
50%	_____	50%	_____
25%	_____	25%	_____
Under 25%	_____	under 25%	_____

7. Please list:

(a) Total number of applicants for UNDERGRADUATE financial aid for:

1971	1972	1973	1974	1975
_____	_____	_____	_____	_____

(b) Total number of UNDERGRADUATE awards made for:

1971	1972	1973	1974	1975
_____	_____	_____	_____	_____

(c) Total number of eligible UNDERGRADUATE applicants denied because of lack of funds for:

1971	1972	1973	1974	1975
_____	_____	_____	_____	_____

(d) Total number of applicants for GRADUATE financial aid (including grants, fellowships, teaching assistantships, etc.) for:

1971	1972	1973	1974	1975
_____	_____	_____	_____	_____

7. (continued)

(e) Total number of GRADUATE awards made for:

1971	1972	1973	1974	1975
_____	_____	_____	_____	_____

(f) Total number of eligible GRADUATE applicants denied because of lack of funds for:

1971	1972	1973	1974	1975
_____	_____	_____	_____	_____

8. Is there a difference in your ability to meet the needs of UNDERGRADUATE and GRADUATE students?

Yes _____ No _____

If "yes," explain:

9. What is the average financial aid package per student recipient

at the UNDERGRADUATE level? _____

at the GRADUATE level? _____

10. What factors do you consider when awarding the amount of financial aid on a basis other than need? For example, do you consider such factors as:

		Yes	No
(a)	State residency	___	___
(b)	Minority group status	___	___
(c)	Public assistance receipt	___	___

10. (continued)

		Yes	No
(d)	Degree of parental assistance	____	____
(e)	Scholastic achievement	____	____
(f)	Field of interest	____	____
(g)	Athletic ability	____	____
(h)	Marital status	____	____
(i)	Other (please elaborate if "yes")	____	____

11. For purposes of Federal student assistance programs, an app cant is considered independent of his parents in terms of financial support only if he or she can answer "no" to each of the following three questions during the appropriate yea

1. Did or will the applicant live with parents for more than two weeks during 1974____, 1975____, 1976____?

2. Applicant is, was, or will be listed as an exemption on parents' Federal Income Tax Return during 1974____, 1975____, 1976____?

11. (continued)

3. Did or will applicant receive $600 or more in financial assistance from parents during 1974____, 1975____, 1976____?

Note: Parent is defined as the applicant's mother, father, or any person who provides or did provide more than half of the applicant's support.

Are these the criteria you use in determining the "independent status" of a student for financial aid purposes?

Yes _____ No _____

If your answer is "no," what are the ceiteria?

12. How many of your financially aided students have been classified as "independent"?

UNDERGRADUATE

1971	1972	1973	1974	1975
_____	_____	_____	_____	_____

GRADUATE

1971	1972	1973	1974	1975
_____	_____	_____	_____	_____

13. Do you have a limit on the amount of aid a student can receive under the financial aid package at the UNDERGRADUATE level?

Yes_____ No_____

13. (continued)

If "yes," explain.

Do you have a limit on the amount of aid a student can receive under the financial aid package at the GRADUATE level?

Yes _____ No _____

If "yes," explain.

14. If you find a parent able to contribute to a student's needs but unwilling to do so, do you make any adjustments in the computation of the financial aid package?

Yes _____ No _____

15. Would it be fair to say that your financial aid package is determined on a national "need analysis" system?

Yes _____ No _____

If "no," briefly explain your system.

16. What was your total 1970-71 enrollment:

UNDERGRADUATE _____ GRADUATE _____

What was your total 1971-72 enrollment:

UNDERGRADUATE _____ GRADUATE _____

16. (continued)

What was your total 1972-73 enrollment:

UNDERGRADUATE _____ GRADUATE _____

What was your total 1973-74 enrollment:

UNDERGRADUATE _____ GRADUATE _____

What was your total 1974-75 enrollment:

UNDERGRADUATE _____ GRADUATE _____

What is your total 1975-76 enrollment:

UNDERGRADUATE _____ GRADUATE _____

17. Is there any difference in your ability to meet the UNDERGRADUATE financial aid requests of your student body today than in 1970?

Yes _____ No _____

If "yes," explain.

Is there any difference in your ability to meet the GRADUATE financial aid requests of your student body today than in 1970?

Yes _____ No _____

If "yes," explain.

18. Give the number of your UNDERGRADUATE student body living

(a) in institutional housing
with cooking facilities _____

without cooking facilities _____

(b) in sororities or fraternities _____

(c) with parents or relatives _____

(d) other off-campus housing _____

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18. (continued)

Give the number of your GRADUATE student body living

(a) in institutional housing
with cooking facilities _____

without cooking facilities _____

(b) in sororities or fraternities _____

(c) with parents or relatives _____

(d) other off-campus housing _____

19. What is the average per capita apartment rent in your area?

_____

20. How many of your UNDERGRADUATE students are married and the head of a household? _____

How many of your GRADUATE students are married and the head of a household? _____

21. If you have records on the number of dependents per married UNDERGRADUATE family, how many have:

(a) one dependent _____

(b) two dependents _____

(c) three dependents _____

(d) more than three dependents _____

If you have records on the number of dependents per married GRADUATE family, how many have:

(a) one dependent _____

(b) two dependents _____

(c) three dependents _____

(d) more than three dependents _____

22. With regard to your UNDERGRADUATE student body,

(a) How many have family income levels of:

(1) zero - $5,000 _____

(2) $5,000 - $10,000 _____

(3) $10,000 - $17,500 _____

(4) $17,500 - $25,000 _____

(5) $25,000 and above _____

(b) SAT scores:

What is the minimum admittance score you accept ?_____

What is the average admittance score ? _____

(c) Sex:

Number of male students _____

Number of female students _____

(d) What are the two predominant minority populations:

_____ (state number if known)

_____ (state number if known)

(e) With regard to the geographic background of your student body, do you draw from

1 national population _____

2 regional population _____

3 state population _____

4 local (less than statewide) population _____

5 a combination of the above (which ones) _____

22. (continued)

With regard to your GRADUATE student body,

(a) How many have family income levels of:

(1) zero - $5,000 _____

(2) $5,000 - $10,000 _____

(3) $10,000 - $17,500 _____

(4) $17,500 - $25,000 _____

(5) $25,000 and above _____

(b) GRE, LSAT and MCAT scores:

What is the minimum admittance score you accept for:

GRE _____ LSAT_____ MCAT_____

What is the average admittance score for:

GRE_____ LSAT_____ MCAT_____

(c) Sex:

Number of male students _____

Number of female students _____

(d) What are the two predominant minority populations:

_____ _____ _____
(state number if known) (state number if known)

(e) With regard to the geographic background of your student body, do you draw primarily from:

1. national population _____

2. regional population _____

3. state population _____

4. local (less than statewide population) _____

5. a combination of the above (which ones) _____

23. Has there been an increase since 1971 in older (age 25 and above) students applying to your institution:

    (a) at the UNDERGRADUATE level ? Yes ___ No ___

    (b) at the GRADUATE level ? Yes ___ No ___

    Has there been an increase since 1971 in the receipt of food stamps in this older student category:

    (a) at the UNDERGRADUATE level ? Yes ___ No ___

    (b) at the GRADUATE level ? Yes ___ No ___

24. Do you feel that the availability of food stamps has made any difference in the living arrangements or housing patterns of UNDERGRADUATE students over the past five years?

    Yes _____ No _____

    If "yes," explain.

    Do you feel that the availability of food stamps has made any difference in the living arrangements or housing patterns of GRADUATE students over the past five years?

    Yes _____ No _____

    If "yes," explain.

25. Do you take participation in the food stamp program into account in compiling a student's financial aid package?

    Yes _____ No _____

26. Is your campus a recipient of food commodities?

Yes_____ No_____

If "yes", what is the dollar value per school year for:

1970	1971	1972	1973	1974	1975
_____	_____	_____	_____	_____	_____

27. Does your institution encourage participation in college work study programs? Yes_____ No_____.

Does the school provide job placement services to UNDER-GRADUATES during their educational career? Yes_____ No_____.

How many years after graduation is the placement service active for:

UNDERGRADUATE degree holders _____

GRADUATE degree holders _____

28. Please list the number of applicants for placement services and the number of positions filled for degree holders for:

	Number of UNDER-GRADUATE applicants	Number of positions filled	Number of GRADUATE applicants	Number of positions filled
1971	_____	_____	_____	_____
1972	_____	_____	_____	_____
1973	_____	_____	_____	_____
1974	_____	_____	_____	_____
1975	_____	_____	_____	_____

29. Does your institution provide a compulsory, comprehensive health insurance plan to students?

Yes_____ No_____

29. (continued)

If so, what is the yearly cost per student? _____

What items are covered in the plan?

30. Do you provide discounted textbooks:

(a) to all students _____

(b) to some students _____

Do you discount books other than textbooks?

Yes _____ No _____

31. Please list any other discounts or benefits available to students.

UNDERGRADUATE	GRADUATE
1	1
2	2
3	3
4	4
5	5
6	6

32. Does the institution have records of food stamp participation by students?

Yes _____ No _____

33. Is your institution called upon to supply to food stamp offices income verification information for student applicants?

(a) Often_____

(b) Seldom_____

(c) Never_____

Does your institution check with food stamp offices on food stamp participation of students applying for financial aid?

Yes_____ No_____

34. Does your institution have an official policy with regard to encouraging or discouraging food stamp participation?

Yes_____ No_____

If it does not have such a policy, do you feel it should have one?

Yes_____ No_____

What is the reason for the institution's position?

35. What role have student organizations played in encouraging or discouraging participation in the food stamp program?

If there has been a student outreach effort, has it come primarily from:

(a) student government _____

(b) other student groups _____

(c) newspaper _____

(d) other (please identify)_____

_____

36. What is your source of financial funding for student aid at the UNDERGRADUATE level by Federal program? Please fill in by program name (BEOG, SEOG, CWS, etc.), number of participants per program, and total dollar amount per program for each school year from 1970 forward.

Federal Programs	1970	1971	1972	1973	1974	1975
1. Basic Educational Opportunity Grant Program						
Number of participants:	X	X	X			
Dollar Amount:	X	X	X			
2. National Direct Student Loan Program						
Number of participants:						
Dollar Amount:						
3. Supplemental Educational Opportunity Grant Program						
Number of participants:						
Dollar Amount:						
4. Educational Opportunity Grant Program						
Number of participants:						
Dollar Amount:						

36. (continued)

Federal Programs	1970	1971	1972	1973	1974	1975
5. College Work-Study Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
6. Guaranteed Student Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
7. Cuban Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
8. Nursing Student Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
9. Nursing Scholarship Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
10. Health Professions Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount	_____	_____	_____			

36. (continued)

Federal Program	1970	1971	1972	1973	1974	1975
11. Health Professions Scholarship Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
12. Law Enforcement Education Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
13. Law Enforcement Education Grant Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
14. State Student Incentive Grant program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
15. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____

36. (continued)

Federal Program	1970	1971	1972	1973	1974	1975
16. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
17. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
18. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
19. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
20. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____

36. (continued)

What is your source of financial funding for student aid at the UNDERGRADUATE level by State program: Please fill in by program name, number of participants per program, and total dollar amount per program for each school year from 1970 forward.

State Program	1970	1971	1972	1973	1974	1975
1. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
2. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
3. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
4. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____

36. (continued)	1970	1971	1972	1973	1974	1975
5. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
6. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
7. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
8. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
9. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
10. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____

36. What is your source of financial funding for student aid at the UNDERGRADUATE level by private programs. Please fill in by program name, number of participants per program, and total dollar amount per program for each school year from 1970 forward.

Private Programs	1970	1971	1972	1973	1974	1975
1. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
2. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
3. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
4. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____

36. (continued)	1970	1971	1972	1973	1974	1975
5. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
6. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
7. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
8. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
9. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
10. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____

36. (continued)

What is your source of financial funding for student aid at the GRADUATE level by Federal program? Please fill in by program name (SEOG, CWS, etc.), number of participants per program, and total dollar amount per program for each school year from 1970 forward.

	1970	1971	1972	1973	1974	1975
1. National Direct Student Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
2. College Work-Study Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
3. Guaranteed Student Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
4. Cuban Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
5. Nursing Student Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____

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36. (continued)	1970	1971	1972	1973	1974	1975
6. Nursing Scholarship Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
7. Health Professional Loan Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
8. Health Professions Scholarship Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
9. Law Enforcement Education Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____
10. Law Enforcement Education Grant Program						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar amount:	_____	_____	_____	_____	_____	_____

36. (continued)

	1970	1971	1972	1973	1974	1975
11. State Student Incentive Grant Program						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____
12. _____						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____
13. _____						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____
14. _____						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____
15. _____						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____

36. (continued)

	1970	1971	1972	1973	1974	1975
16. _____						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____
17. _____						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____
18. _____						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____
19. _____						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____
20. _____						
Number of participants:	____	____	____	____	____	____
Dollar amount:	____	____	____	____	____	____

36. (continued)

What is your source of financial funding for student aid at the GRADUATE level by State program: Please fill in by program name (including fellowships, assistantships, etc.), number of participants per program, and total dollar amount per program for each school year from 1970.

Private Programs	1970	1971	1972	1973	1974	1975
1. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
2. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
3. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
4. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____

36. (continued)

	1970	1971	1972	1973	1974	1975
5. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
6. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
7. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
8. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
9. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:	____	____	____	____	____	____
10. _____						
Number of participants:	____	____	____	____	____	____
Dollar Amount:						

36. (continued)

What is your source of financial funding for student aid at the GRADUATE level by private program: Please fill in by program name (including fellowships, assistantships, etc.), number of participants per program, and total dollar amount per program for each school year from 1970.

Private Programs	1970	1971	1972	1973	1974	1975
1. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
2. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
3. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
4. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____

36. (continued)	1970	1971	1972	1973	1974	1975
5. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
6. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
7. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
8. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
9. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____
10. _____						
Number of participants:	_____	_____	_____	_____	_____	_____
Dollar Amount:	_____	_____	_____	_____	_____	_____

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U.S. House of Representatives

Committee on Agriculture

Room 1301, Longworth House Office Building

Washington, D.C. 20515

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L. T. EASLEY,
PRESS ASSISTANT

February 12, 1976

Dear Mr. :

The House Committee on Agriculture is involved in an in-depth study of the Federal food stamp program, and one segment of that study involves an effort to determine the extent of college student participation in the food stamp program.

In this regard, the General Accounting Office and our Committee staff have designed a study involving six schools with geographic distribution, variable tuition rates, urban-rural distribution, public-private distinctions, etc., to determine the number of student head-of-household food stamp users on a caseload basis. The General Accounting Office has already drawn a random sample of student names and addresses from the six college enrollments and has begun approaching food stamp offices in the areas of those six colleges to determine whether the sample students are listed on the food stamp case files. Your office is located in one of the six areas, and I am sure GAO has by now approached your office for a comparison of student names to food stamp case files.

The enclosed questionnaire represents the Committee staff portion of the data collection effort and is primarily subjective in nature. I shall very much appreciate your filling out the questionnaire and returning it by March 3, 1976, to the attention of Miss Mary Jarratt at the following address:

Committee on Agriculture
U.S. House of Representatives
1301 Longworth House Office Building
Washington, D. C. 20515

Should you have any questions concerning the questionnaire, please contact Miss Mary Jarratt of the Committee staff at telephone number 202 225-2171.

Be assured that the selection of the six educational institutions and the food stamp offices in the study involve no complaints brought to the attention of the Committee regarding the food stamp program in these six areas nor does it involve any special singling out of the schools and

February 12, 1976
Page 2

food stamp offices except as they reflect institutions typical of the ger guidelines of the study. Additionally, the study is not designed to eith include or exclude students from the program; rather, it is designed to determine the number of student participants and some information regardi their general characteristics.

Upon receipt of the questionnaire responses, it may be necessary for Committee staff to follow up with either telephone or personal interviews In the case of a personal interview, the staff member would, of course, contact you for an appointment.

On behalf of all the Members of the House Committee on Agriculture, I want to thank you for your cooperation with GAO and with our staff.

With kindest regards,

Sincerely,

Thomas S. Foley
Chairman

TSF:mjw

Enclosure

COMMITTEE ON AGRICULTURE
U.S. HOUSE OF REPRESENTATIVES
FOOD STAMP QUESTIONNAIRE

ocation of Food Stamp Office: _____
(Street)

_____
(State) (Zip)

_____
(Telephone)

ame and Position of Official
esponding to this Questionnaire: _____
(Name)

_____
(Title)

ate: _____

What was your average food stamp caseload (public assistance and nonpublic assistance) for:

	Public Assistance Cases	Nonpublic Assistance Cases	Total
1970	_____	_____	_____
1971	_____	_____	_____
1972	_____	_____	_____
1973	_____	_____	_____
1974	_____	_____	_____
1975	_____	_____	_____

What was the total number (public assistance and nonpublic assistance) of persons who received food stamps during:

	Public Assistance Cases	Nonpublic Assistance Cases	Total
1970	_____	_____	_____
1971	_____	_____	_____
1972	_____	_____	_____
1973	_____	_____	_____
1974	_____	_____	_____
1975	_____	_____	_____

Please provide your best estimate of the number of student participants for the following years.

	Public Assistance Cases	Nonpublic Assistance Cases	Total
1970	_____	_____	_____
1971	_____	_____	_____
1972	_____	_____	_____
1973	_____	_____	_____
1974	_____	_____	_____
1975	_____	_____	_____

3. With regard to your response to Question 2 above, what factors do you feel most contribute to the increase or decrease in student participation?

   1.

   2.

   3.

   4.

4. Do you feel that you have encountered any special certification problems with your student cases?

   Yes_____ No_____

   If your answer is "yes," what are they?

   1.

   2.

   3.

5. Do you feel there are any groups of students more likely to participate than others?

   Yes_____ No_____

   If you answer is "yes," please elaborate.

6. Have you noticed a difference in the extent of participation in the food stamp program between graduate and undergraduate students?

   More graduate student participation _____

   More undergraduate student participation _____

   No noticeable difference _____

7. Do you feel there are problems of students living together and signing up separately when they are not maintaining separate eating and food preparation facilities?

   Yes _____ No _____

   In cases where you suspect there is such a problem, what do you do to verify the actual living situation?

   If home visit, how frequently?

8. Do you feel that your office is adequately staffed to the extent you can perform living arrangement verifications, income verifications and the like to the degree you feel necessary?

   Yes _____ No _____

   If your answer is "no," what reasons account for the understaffing?

   1.

   2.

   3.

   4.

9. Do you feel students should be allowed to participate in the food stamp program under the eligibility requirements which currently exist?

Yes_____ No_____

If your answer is "no," how do you think the eligibility requirements should be changed?

1.

2.

3.

4.

5.

6.

7.

8.

10. Has there been any student outreach effort in your area of which you are aware?

Yes_____ No_____

If your answer is "yes," by whom?

What form did the outreach effort take?

Did the student- oriented outreach effort bring in more applicants?

Yes_____ No_____

If "yes," were the applicants:

(a) generally eligible_____

(b) generally ineligible_____

(c) about equal with eligibles and ineligibles_____

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11. Has there been a general outreach (not just focused on students) effort in your area?

Yes_____ No_____

If your answer is "yes," by whom?

What form did the outreach effort take?

Did the general outreach effort bring in more applicants?

Yes_____ No_____

If "yes," were the applicants:

(a) generally eligible_____

(b) generally ineligible_____

(c) about equal with eligibles and ineligibles_____

12. Have you experienced a problem of students living in dormitories without cooking facilities applying for the program?

Yes_____ No_____

13. To the best of your knowledge, are you aware of an official role of the educational institutions in your area either encouraging or discouraging participation by students in the food stamp program?

Yes_____ No_____

If your answer is "yes," what kind of role does the educational institution play?

Why do you feel the institution has taken this official position?

14. Do you seek student income verification information from the educational institutions in your area?

Yes_____ No_____

If "yes," are you successful:

(a) all of the time? _____

(b) half of the time? _____

(c) seldom? _____

(d) never? _____

15. Do you check the tax dependency status of the student applications?

Yes _____ No _____

If "yes," how?

16. Which educational institutions in your area are the main sources of your student applicants?

1.

2.

3.

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MEMORANDUM

To: Members, Committee on Agriculture

From: Thomas S. Foley, Chairman

Date: May 6, 1976

Subject: Food Stamp Study - Student Participation in the Food Stamp Program at Six Selected Universities

In order to obtain information on the extent of student participation in the Food Stamp Program and on the characteristics of such participants, the Committee on Agriculture requested the General Accounting Office to work with the Committee staff in an effort to gather data on a caseload basis on full-time student, head-of-household food stamp participants. GAO and Committee staff jointly selected six universities with geographic distribution, public-private distinctions, variable tuition rates, urban-rural distribution, etc., as a basis for this survey.

Following the selection of the six schools, a match was made by GAO of a certain percentage of the names of the college enrollment against the caseloads of three food stamp offices per school in order to get a statistically reliable projection of the number of Program participants per school. It should be pointed out that the results of this survey are not generalizable nationwide, but they are generalizable among the six schools in the survey.

The results of this six-school GAO survey (Attachment C) appear all the more valid, however, when compared against the results of the House Committee on Agriculture's Quality Control sample (nonpublic assistance caseload only) for the month of April 1975, a survey which is generalizable to the food stamp population nationwide. The QC survey indicated 185,000 (or 5.6%) families out of a

total NPA caseload of 3,312,000 were households containing a college student, reflecting an annual bonus coupon receipt of $116 million. Of this caseload, 4.2% were households headed by a college student. The GAO report projected the number of student-headed food stamp households in the study to be in the range of 3.24% - 4.28%, directly reflecting the QC findings.

The attached GAO report contains much information on characteristics of student heads of households in the sample, but I call your special attention to the summation of findings contained on Pages 1-7. Of particular interest is the finding that the rate of participation is higher at the three State-supported, lower attendance-cost schools. Of predictable note is the fact that graduate student participation is greater than undergraduate participation. Somewhat unpredictably, given popular opinion with regard to student household composition, approximately two-thirds of the food stamp recipients in the sample claimed to be single-member households. (It should be pointed out here that GAO did not verify the living situations; they merely gathered data from the food stamp case files. To the extent the student correctly indicated his actual living situation, that situation is reflected in these findings.) Somewhat surprisingly, too, as indicated on Page 6 of the summary, 8% of the student food stamp households reported "zero" income; and reported sources of income, after wages, include loans, scholarships, Veterans benefits, Social Security, welfare, parental support, unemployment compensation, child support and "other," in descending order. This data would indicate a rather high reliance by students at the selected schools on Government-subsidized aid as income.

Committee staff developed a questionnaire, directed to the six colleges in the study, dealing with such factors as enrollment trends, cost of attendance, method of calculation of financial aid package, ability to meet financial aid requests, position on student participation in the Program, etc. Much of the material collected in the questionnaire was also obtained by GAO in their portion of the survey. Therefore, the staff analysis of the college-focused questionnaire (Attachment A) addresses only those issues not effectively dealt with in the GAO survey. (The University of Portland did not respond).

Committee staff also developed a questionnaire to be sent to three food stamp offices per school (two offices in the case of North Texas State University and four in the case of the University of Tampa) as identified by GAO as being offices servicing colleges under study. This questionnaire dealt with such matters as special certification problems associated with student participation, patterns of student participation, student eligibility criteria, etc. All offices responded with the exception of one. An analysis of the results of this questionnaire is included as Attachment B.

As with the previous six components of the Food Stamp Study which have been distributed to Committee Members, this is not an official Committee document. However, distribution is not restricted.

TSF:mjc

Attachment A

ANALYSIS, COLLEGE-FOCUSED QUESTIONNAIRE, STUDENT STUDY

The Committee staff developed a questionnaire to be sent directly to the six selected schools. Much of the information collected confirms the material gathered by the GAO survey and, therefore, is not separately dealt with in this analysis. Five of the six schools returned the questionnaire. The University of Portland did not respond and is not included in this analysis.

One area explored in the Committee questionnaire, in greater detail than the GAO survey, was that of the financial aid needs of students, and the ability of the institutions to meet those needs. The undergraduate needs were met 100% - 75% - 75% - 51-52% - 25-35%, with both the highest and lowest percentage of unmet need in the private schools. The graduate student needs were met 100% - 50% - 43-45% - under 25%, again with both the highest and lowest percentage of unmet need in the private schools.

It is interesting to note that the ability of the school to meet the financial aid requirements of the students has no direct correlation to the food stamp participation rates. For example, the University of Tampa showed the least ability to meet financial aid needs (25-35% for undergraduates and under 25% for graduate students), but had the second lowest food stamp participation rate (.58%). On the other hand, San Francisco State University, with the lowest cost for education to the student and with the ability to meet the financial aid requests of the students being approximately 50% overall, showed the highest participation rate (more than 13%). (GAO chart p. 15)

The questionnaire surveyed the number of applicants, per institution,

for financial aid from 1971 to 1975. Of the schools where records were available, a steady increase was found in the number of both graduate and undergraduate applicants for financial aid; while the ability to meet the needs remained relatively stable. Most schools attributed this stability to the establishment of the BEOG (Basic Educational Opportunity Grant) Program. BEOG is a Federal program, under the Office of Education, initiated in 1973 to provide a basic educational subsidy to qualifying students. Eligibility is determined by a "needs analysis"; and a grant, with no payback requirement, is made directly to the student. The Program is available only to undergraduates, with most graduate students relying on various loan programs and fellowships.

All of the schools responding indicated no official policy on the issue of food stamp participation by students, and only San Francisco State University and the University of Tampa indicated that they were ever called upon by a food stamp office to verify student income and deduction information.

It is interesting to note that 8% of the students surveyed claimed "zero" gross income when applying for food stamps. The majority of the students, approximately 70%, reported income from unemployment compensation, welfare, Social Security, Veterans benefits, scholarships and loans for an average gross monthly income of $202. Veterans benefits accounted for the highest average monthly income of $275; while the average loan income was $187. About 9% of the students derived funds from parental support and child support. Some 38% indicated income from wages or salary; and 5% received support from "other" sources. (Figures do not add to the total number of

recipients in the survey, as some students had multiple sources of income.) From the gross income figure is subtracted the deductions for living expenses, tuition and fees, etc., in order to arrive at net income for food stamp purposes. (GAO summary, page 6; and Exhibit D, GAO survey, page 18)

All of the schools responding indicated that they do not take a student's participation in the food stamp program into account when compiling a student's financial aid package.

San Francisco State University and the University of Tampa indicated an increase in older students (25 and over) since 1971 in both graduate and undergraduate programs. North Texas State University reported an increase in older graduate students.

All of the schools responding indicated that they use the BEOG (Basic Educational Opportunity Grant) criteria in determining the "independent" status of a student for financial aid purposes. An applicant is considered independent of his parents in terms of financial support only if he or she can answer no to each of the following three questions during the appropriate years:

1. Did or will the applicant live with parents for more than two weeks during last year, this year or next year?

2. Applicant is, was, or will be listed as an exemption on parents' Federal Income Tax Return during last year, this year, or next year?

3. Did or will applicant receive $600 or more in financial assistance from parents during last year, this year, or next year?

Note: Parent is defined as the applicant's mother, father, or any person who provides or did provide more than half of the applicant's support.

The University of Tampa showed a decrease in independent undergraduates, and the University of Wisconsin indicated a decrease in independent graduate students, during the past five years. At San Francisco State University, the University of Pennsylvania and the University of Wisconsin, the number of independent undergraduates rose dramatically from the 1971 figures.

The following comments were received in response to the questionnaire inquiry on the University's position on food stamp participation by its students:

University of Wisconsin: "Possibly might be useful for a small number of students. However, from past experience we believe we would encounter a substantial amount of extra work with little useful return for the energy expended. We feel it would have a very poor cost effectiveness ratio."

University of Pennsylvania: "We do not believe our institution should be involved in any way in food stamp participation."

University of Tampa: "For the most part, the majority of our student body does not meet the qualifications to be eligible for food stamps."

San Francisco State University: "The policy should be developed by the Department of Agriculture which is accountable for the Food Stamp Program."

North Texas State University: had no comment.

The results of the questionnaire clearly indicate the increased demand for financial aid in an already highly government-subsidized field. Of significance is the high rate of participation in the Food Stamp Program

by students attending State-supported, low-cost schools. However, the Universities expressed a general reluctance to formulate an official policy with respect to the participation of students in the Food Stamp Program.

Attachment B

ANALYSIS, FOOD STAMP OFFICE QUESTIONNAIRE, STUDENT STUDY

The Commmittee staff developed a questionnaire to be sent to the food stamp offices identified by GAO as the offices in the college area probably having the greatest concentration of students attending the school surveyed. (As it turned out from the questionnaire results, fewer than half of the offices indicated the institution under survey as a main source of student applicants.)

More than half of the responding offices indicated a noticeable increase in student participation, due largely to increased outreach efforts in general and increased referrals from financial aid offices. The results also indicated that liberalized Program guidelines, allowing more people to qualify, and the increase in student rolls because of the bleak job market, are participation factors.

Twice as many offices indicated special certification problems identified with student cases as not. Of the special problems identified, verification of income, scholarships, grants, loans, etc., and the averaging of such income over the academic year, are the most formidable ones. One respondent stated, "Students tend to manage financially through receipt of grants and personal loans. Policy needs to be adopted to consider all loans, whether deferred or not, as income." Documentation of income information, particularly on out-of-State students, was cited as a problem on several questionnaires. Offices also indicated difficulties with verification of living arrangements, determination of tax dependency status, and obtainment of parental cooperation. Administrative problems are created by peak month

student applicants, breaks in the school year and class schedules causing appointment-scheduling problems.

Ten of the food stamp offices in the sample stated that no one group of students was more likely to participate than another, while seven responded that identifiable groups of students could be cited as more likely to participate in the Program. "Older, poor students who are working their way without help of parents" were cited as most likely participants, along with "students on grants and loans, Veterans and Social Security recipients." One office said that "those who want to get something for nothing" are the most likely student participants, and several offices identified out-of-State students as most likely participants.

Even though the GAO survey found that graduate student participation was higher than undergraduate, ten offices indicated they had noticed more undergraduate participation than graduate. One noticed more graduate participation, and six saw no noticeable difference.

Twelve offices indicated a problem with students living together and signing up separately when not maintaining separate eating and food preparation facilities, and five offices indicated no problem in this area. Home visitation for verification of living arrangements is the method most often cited to deal with this problem, but one office said that it requires a "student's written statement, under penalty of perjury, explaining living situation or that food is not shared."

Six offices indicate they are adequately staffed to the extent they can perform living arrangement verifications, income verifications and

the like to the degree necessary to deal with applicants, and 11 indicate understaffing. Lack of funding for necessary personnel and complexity of food stamp regulations, requiring undue time consumption for application processing are often cited as reasons for understaffing. One respondent cited the "change in Program intent from original policy of upgrading nutritional value of low-income households to one of subsidizing families caught in the inflationary bind. This change in Program philosophy has caused tremendous increase in the caseloads with no appreciable increase in staffing." Several offices indicated that there is a "lack of any manifested interest on the part of USDA to help police the problem."

In response to the question as to whether students should be allowed to participate in the Food Stamp Program under current eligibility requirements, 11 responded "yes" and six responded "no". Of those indicating a need for change in student eligibility requirements, practically all were in the direction of more stringent requirements. One respondent indicated, "Student needs should be met by financial aid office at universities. As it exists, certain food needs are part of financial aid and Food Stamps are a duplication of service." One office respondent said, "The recent re-enactment of tax dependency criteria is a step in the right direction but is a very complicated and time-consuming process." Several offices wanted a more accurate method of determination of student income, suggesting this particularly in the case of out-of-State students. One office wanted no "zero" purchase allowed for students, and still another wanted graduate students excluded entirely. Several States apparently have an influx of out-of-State student participants,

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and one suggested a "residency requirement to prevent out-of-State students from voluntarily choosing college in a desirous location and being automatically eligible to apply for welfare benefits."

Eight offices said there had been student outreach efforts in their areas, and nine said they were not aware of any special student outreach efforts. In cases where student outreach had been observed, it had been carried out by staff of the social services division, Veterans' Affairs representative, campus student groups or food advocacy groups. The outreach effort was most generally observed in the form of campus newspaper articles, posters, or speaking engagements on campus. Five respondents indicated that the student-motivated outreach had brought in more applicants, and two indicated that it had not resulted in more applicants. Ten either did not respond or noticed no difference.

All seventeen responding offices indicated a general outreach effort. In addition to the above-mentioned groups involved in student outreach efforts specifically, community action groups, elderly-benefit-oriented groups, religious groups and minority groups were also cited as leaders in general outreach. The general outreach was evidenced in the form of speaking at public and private organizations, TV and radio public service spot announcements, direct mailings, personal contacts with supermarket shoppers, etc., public school instruction, "hot line" phone services and instruction by Extension Service personnel. Twelve offices observed an increase in applicants as a result of this effort, and three did not. Two saw no noticeable difference in applicants. Five said the new applicants were generally eligible, and seven indicated that the new applicants were about equal with eligibles and

ineligibles.

In response to the question as to whether a problem had been experienced with students living in dormitories without cooking facilities and yet applying for food stamps, three responded "yes"; 12, "no"; one, "nothing serious"; and one, "no response."

Concerning the query as to the awarenesss of the office about any official role being taken by the educational institutions in the area in either encouraging or discouraging food stamp participation by students, six indicated an awareness of an official role, and eleven indicated an unawareness in this area. One did not respond. Where noted, the food stamp office said the official role was either "to inform eligible students of the availability of the Program" or "to take into account food stamp receipt to reallocate resources to other students." One felt the institution had been encouraged by the welfare department to enlighten students of the Program, and one noted that the Veterans representative actually performed a prescreening function.

Fourteen offices indicated that they seek student income verification information from the educational institutions in their areas, and three indicated they do not seek such information. Of the fourteen offices where information is sought, ten indicated they were successful "all of the time," two indicated success "half of the time," and two did not answer as to the success of their inquiries.

Thirteen offices indicated that they do check the tax dependency status of the student applicants, usually by written inquiry of the parent or guardian. Four indicated no attempt to check the tax dependency status.

(Of these four, three were in California, where the tax dependency provision had not been implemented at the time the survey was taken.)

REPORT TO THE HOUSE COMMITTEE ON AGRICULTURE BY THE COMPTROLLER GENERAL OF THE UNITED STATES

Student Participation In The Food Stamp Program At Six Selected Universities

Food and Nutrition Service
Department of Agriculture

GAO obtained data on the number of college students receiving food stamps as heads of households at six selected universities--Tampa, Wisconsin, North Texas State, Pennsylvania, San Francisco State, and Portland. The percent of full-time students from the selected schools receiving food stamps as heads of households in the project areas reviewed ranged from less than one-half of 1 percent for North Texas State to over 13 percent for San Francisco State.

RED-76-105

APRIL 29, 1976

Attachment C

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

A-51604

The Honorable Thomas S. Foley
Chairman, Committee on Agriculture
House of Representatives

Dear Mr. Chairman:

In accordance with your request of November 14, 1975, and subsequent discussions with your office, we obtained data on the number of full-time students receiving food stamps as heads of households at six selected schools: the University of Tampa, the University of Wisconsin, North Texas State University, the University of Pennsylvania, San Francisco State University, and the University of Portland. For those students identified as recipients of food stamps, we obtained data on incomes, food stamp bonus values, and household sizes and compositions. We also obtained information on financial aid, housing availability, and attendance costs at each school.

This report summarizes the results of our review. Appendixes I through VI contain information on location, enrollment, student housing, education-related financial aid, and the cost of attendance for each of the six schools during the 1975-76 academic year. Exhibits A through F contain food stamp participation and recipient data for the six schools. Data for graduate and undergraduate students is shown separately. The participation and recipient data should be representative of the circumstances at the six schools reviewed but may not be representative of the circumstances at other schools or for all schools, nationwide.

PROGRAM DESCRIPTION AND SCOPE OF REVIEW

The food stamp program, authorized by the Food Stamp Act of 1964 as amended (7 U.S.C. 2011), is designed to help low-income households obtain nutritionally adequate diets by supplementing their food budgets. Under the program, participating households buy food stamps having a face value greater than their purchase price. The stamps are used to buy food at participating stores. The prices participants pay for the stamps and the total value of the stamps they receive are based on household size, income, and certain deductible expenses; extremely low-income households get food stamps free. The difference between the face value of food stamps and their purchase price is termed "bonus value."

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Current food stamp program instructions include in their definitions of "household" (1) an individual living alone who purchases and prepares food for home consumption and (2) a group of individuals who are living as one economic unit and sharing cooking facilities. "Head of household" is the person in whose name application is made for participation in the program by a particular household. Eligibility criteria and procedures for obtaining food stamps are generally the same for college students as for other applicants. To qualify for food stamps, however, college students must not be claimed as dependents on their parents' or guardians' Federal income tax returns, except that they may be claimed if the parents or guardians are eligible for food stamps. Students enrolled at least halftime in a school or training program which is recognized by any Federal, State, or local government agency are exempted by the Food Stamp Act from the program's work registration requirements.

As agreed with your office, we made our review at six universities and at food stamp project offices in geographical areas surrounding these schools, as shown below. The schools were selected jointly with your office, to obtain wide geographical coverage and to cover public and private institutions, urban and rural locations, large and small universities (total enrollment over or under 15,000 students, respectively), and differing attendance costs (tuition, fees, and room and board).

University	Food stamp project areas
Tampa--a small, private school in an urban setting with an estimated average undergraduate attendance cost of $3,700 a year.	Hillsborough, Manatee, Pinellas, and Pasco Counties, Florida.
Wisconsin--a large, State-supported school in a predominantly rural setting with an estimated average undergraduate attendance cost for an in-State resident of $1,905 a year.	Dane, Columbia, and Rock Counties, Wisconsin.
North Texas State--a large, State-supported school in a rural setting with an estimated average undergraduate attendance cost of $1,745 a year.	Denton and Dallas Counties, Texas.

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Pennsylvania--a large, private school in an urban setting with an estimated average undergraduate attendance cost of $5,733 a year.	Philadelphia, Delaware, and Montgomery Counties, Pennsylvania.
San Francisco State--a large, State-supported school in an urban setting with an estimated average undergraduate attendance cost for an in-State resident of $1,351 a year.	San Francisco, Alameda, and San Mateo Counties, California.
Portland--a small, private school in an urban setting with an estimated average undergraduate attendance cost of $3,550 a year.	Multnomah and Clackamas Counties, Oregon, and Clark County, Washington.

At each school, we obtained the number of full-time undergraduate and graduate students registered for the fall 1975 or spring 1976 school term. (Full-time students studying for professional degrees in such fields as law or medicine were included in our graduate student tabulations.) At each school we drew random samples of students which ranged from 4.6 to 31 percent of the full-time student enrollment. We then visited food stamp project offices serving the areas where large numbers of students from these schools resided, to determine whether the students in our samples were authorized to receive food stamps as heads of households. We defined as recipients those student heads of households who were authorized to receive food stamps at some time during the period December 1975 through February 1976. Through this procedure 224 students were identified as food stamp recipients from our total sample of 6,181 students. We used these sample results to estimate the number of full-time students at the six schools who lived in the project areas reviewed and the percent and number of these students who received food stamps as heads of households.

ESTIMATED NUMBER OF FULL-TIME STUDENTS RECEIVING FOOD STAMPS AS HEADS OF HOUSEHOLDS

The extent of student participation in the food stamp program varied widely among the six schools. The table below shows the estimated number of full-time students residing in the project areas reviewed and the

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estimated percent and number receiving food stamps as heads of households some time during December 1975 through February 1976. Exhibits A, B, and C give more detailed information.

University	Actual full-time enrollment	Residing in project areas reviewed	Receiving food stamps Percent	Receiving food stamps Number
Tampa	1,663	1,663	0.58	10
Wisconsin	32,300	31,653	2.33	736
North Texas State	9,142	9,142	0.44	40
Pennsylvania	14,354	12,693	1.73	220
San Francisco State	14,520	11,750	13.11	1,540
Portland	1,440	1,320	1.26	17
Total	73,419	68,221	3.76	2,563

The rate of participation at the three larger schools was higher than at the three smaller schools. Of the full-time students attending Pennsylvania, Wisconsin, and San Francisco State and living in the project areas reviewed, 5.4 percent received food stamps as heads of households. Of the full-time students attending Tampa, North Texas State, and Portland and living in the project areas reviewed only 0.6 percent received food stamps as heads of households. Also, the rate of participation was higher at the three State-supported, lower attendance-cost schools than at the three private, higher attendance-cost schools. Of the full-time students attending Wisconsin, North Texas State, and San Francisco State and living in the project areas reviewed, 4.9 percent received food stamps as heads of households. Of the full-time students attending Tampa, Pennsylvania, and Portland and living in the project areas reviewed, 1.4 percent received food stamps as heads of households. In addition, for the four schools (Pennsylvania, North Texas State, Wisconsin, and San Francisco State) where our samples showed both graduates and undergraduates receiving food stamps as heads of households in the project areas reviewed, the percentage of graduate students who participated (4.6 percent) was higher than the percentage of undergraduate students (3.9 percent).

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According to various newspaper articles and editorials, college students represent a large part of the food stamp recipients in some localities. Particularly in smaller, rural counties, even a relatively low percentage of student food stamp participation in terms of a college's total enrollment could have a major impact on local food stamp recipient rolls. For example, Dane County, Wisconsin, statistics indicated that about 2,500 households in the county were receiving food stamps during the latter part of 1975. From our sample, we estimated that about 736 of the 31,653 full-time Wisconsin student projected to be residing in the project areas reviewed received food stamps as heads of households. We also estimated that more than 90 percent of these students resided in Dane County. Accordingly, although students receiving food stamps as heads of households represented about 2-1/2 percent of the students enrolled full time at Wisconsin, these students represented a large part of Dane County's food stamp caseload.

INCOME, BONUS VALUE, AND HOUSEHOLD CHARACTERISTICS FOR STUDENT FOOD STAMP RECIPIENTS

The average income, food stamp bonus value, and household-size characteristics for the 224 student food stamp recipients in our samples are summarized below. Exhibits D, E, and F give more detailed information. Data for undergraduates and graduates is shown separately.

Item	Average
Gross monthly income	$250
Monthly deductions from income	$159
Net monthly income for food stamp purposes	$ 91
Monthly food stamp bonus value	$ 51
Household members	1.6

The average gross monthly income was $240 for undergraduates and $277 for graduates. Students at Portland had the highest average monthly income--$511--while those at San Francisco State had the lowest--$200. Actual gross monthly incomes of individual households ranged from zero to $875. The highest amount--$875--involved a household at Pennsylvania whose gross income was offset by the allowable deduction for tuition and mandatory fees.

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The types and average amounts of incomes reported by the student food stamp recipients in our sample are shown below. As shown, 18 students (about 8 percent of the 224 recipients) reported no incomes.

Source of income	Number of students (note a)	Average gross monthly incom
Wage or salary	87	$200
Loan	49	187
Scholarship	49	193
Veterans benefits	14	275
Social security	10	125
Welfare	26	237
Parental support	15	223
Unemployment compensation	10	199
Child support	6	247
Other	13	153
No income	18	0

a/Items do not add to 224 because some students reported more than one source of income.

Net income for food stamp purposes is gross income less allowable deductions for such items as rent, mortgage payments, utilities, work expenses, tuition and mandatory fees, child care, alimony, disaster losses, medical costs, and taxes withheld from salaries or wages. The average net monthly income for food stamp purposes was $94 for undergraduates and $83 for graduates. Actual net monthly incomes of individual households ranged from zero to $417. The highest amount--$417--involved a five-person household at Portland.

The average monthly food stamp bonus value was $50 for undergraduates and $53 for graduates. Actual bonus values for individual households ranged from $12 to $218 a month. The highest amount--$218--involved a seven-person household at San Francisco State.

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Of the 224 student food stamp recipients in our sample, .47, or two-thirds, were single-member households--that is, the food stamp household consisted of only the student. In each of 63 cases, the student and other family members formed the household. In each of the remaining 14 cases, the food stamp household comprised the student and either 1 or 2 other students or friends.

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In accordance with instructions from your office, we did not obtain the comments of cognizant Federal, State, or local officials on this report. As your office instructed, we will furnish copies of the report to the Department of Agriculture and to the universities and food stamp project offices covered in the review.

Sincerely yours,

Elmer B. Staats

Comptroller General
of the United States

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APPENDIXES

1

UNIVERSITY OF TAMPA

BACKGROUND INFORMATION

University description

The university is a small, private institution located a short distance from downtown Tampa, Florida. Liberal arts, education, and business are the primary undergraduate programs. The graduate division offers degrees in business administration and education. Extension courses are offered at nearby McDill Air Force Base.

Enrollment

Total enrollment is about 2,000 students. Full-time enrollment is 1,663 students, consisting of 1,563 undergraduate and 100 graduate students. Full-time students must carry 12 or more units as undergraduates and 6 or more units as graduates. Extension students, all undergraduates, are considered full-time students if enrolled in six or more units.

Student housing

The university maintains four dormitories and owns and operates two off-campus apartment houses. These facilities house 811 students. Cooking facilities are available only in the apartments. Students who reside in the dormitories are required to choose one of three cafeteria meal plans. The remaining students (55 percent) live at home or rent housing elsewhere.

Education-related financial aid

About 25 percent of the students received loans and/or grants based on need. About 25 percent of the students also received athletic or scholastic scholarships. Some of these students received more than one type of financial assistance. Military personnel taking extension courses participated in the Air Force's tuition assistance program.

Cost of attendance

The estimated average annual cost of attendance for a full-time undergraduate student living in university housing is $3,700.

Item	Annual cost
Tuition and fees	$2,300
Room and board	1,400
Total	$3,700

Graduate students pay $70 a unit each semester for tuition and fees. Room and board costs for full-time graduate students generally are the same as for full-time undergraduate students.

UNIVERSITY OF WISCONSIN

BACKGROUND INFORMATION

University description

The university is located in Madison, Wisconsin, the State capital. Except for Madison, the area is predominantly rural. The university, which is 1 of 13 publicly supported degree-granting institutions in Wisconsin, offers a wide range of programs leading to undergraduate, graduate, and professional degrees.

Enrollment

The university has a total enrollment of over 36,000 students. The full-time enrollment is 32,300, consisting of 23,660 undergraduate students, 7,150 graduate students, and 1,490 professional (law and medical) students. A full-time undergraduate student must carry 12 or more credit hours, a graduate or a law student must carry 8 or more credit hours, and a medical student must carry 15 or more credit hours to be a full-time student.

Student housing

About 80 percent of all students live off campus; the remaining students live in university-operated residence halls and family apartments. Only the family apartments, which provide housing for 1,122 students, have cooking facilities.

Education-related financial aid

Grants, scholarships, loans, and work-study awards to 8,914 recipients totaled $15.3 million. The graduate school provided support, in the form of research grants, fellowships, and teaching and project assistantships, to 5,668 recipients totaling $18 million. In addition, the university processed 2,600 federally guaranteed student loans totaling $3.5 million. Some students received more than one type of financial assistance.

Cost of attendance

The estimated average annual cost of attendance for a full-time undergraduate student who is a Wisconsin resident living in university housing is $1,905.

Item	Annual cost
Tuition and fees	$ 630
Room and board	1,275
Total	$1,905

Tuition and fees for graduate and professional students range from $900 a year for a State resident to $3,450 a year for a non-State resident. Room and board costs are the same for all students.

NORTH TEXAS STATE UNIVERSITY

BACKGROUND INFORMATION

University description

The university is located in Denton, Texas, about 40 miles north of Dallas. Operated by the State, the university offers a wide variety of programs leading to undergraduate and graduate degrees.

Enrollment

The university has a total enrollment of about 15,000. Total full-time enrollment is 9,142 students, consisting of 7,685 undergraduate and 1,457 graduate students. A full-time undergraduate student must carry 12 or more credit hours and a full-time graduate student must carry 9 or more credit hours.

Student housing

The university has about 2,750 housing units available on campus. This housing is primarily dormitory rooms, although there are 50 family apartments for married students. Only the family apartments have cooking facilities. About 70 percent of the students commute from surrounding counties.

Education-related financial aid

The number of recipients and types of financial aid they received for the 1974-75 academic year are summarized below. Some students received more than one type of financial aid.

	Recipients	Amount
Grants	1,224	$ 684,840
Loans	1,970	1,236,486
Scholarships	1,123	348,800
Total	4,317	$2,270,126

Cost of attendance

The estimated average annual cost of attendance for a full-time graduate or undergraduate student living in university housing is $1,745.

Item	Annual cost
Tuition and fees	$ 375
Room and board	1,370
Total	$1,745

UNIVERSITY OF PENNSYLVANIA

BACKGROUND INFORMATION

University description

The university, located in a residential area of Philadelphia, Pennsylvania, offers a wide variety of programs leading to undergraduate, graduate, and professional degrees. It is funded primarily from private sources.

Enrollment

The total enrollment at the university is 20,370 students. Full-time enrollment is 14,760 students, consisting of 7,562 undergraduates and 7,198 graduate and professional students. Full-time undergraduate students are defined as those undergraduates taking four courses for which four course units of credit are given. Graduate students taking courses for which they receive three course units or those graduate students in a "dissertation status" are also considered full-time students. All professional students are considered full-time students.

Student housing

A total of 6,842 full-time students live in university-controlled housing. Cooking facilities are available in university housing occupied by 2,401 undergraduate and 1,015 graduate students. The remaining full-time students live in nonuniversity housing on or off the campus.

Education-related financial aid

Financial assistance to 16,212 recipients totaled $21.6 million, as summarized below. Some students received more than one type of financial aid.

	Recipients	Amount
Scholarships	47	$ 46,435
Loans	8,108	11,082,823
Grants	2,366	2,363,130
Work-study programs	2,275	1,700,000
Teaching and research fellowships, assistantships, and associateships	986	3,155,200
Miscellaneous State and private programs	2,430	3,239,512
Total	16,212	$21,587,100

Cost of attendance

The estimated average annual cost of attendance for a full-time undergraduate student living in university housing is $5,733.

Item	Annual cost
Tuition and fees	$3,790
Room and board	1,943
Total	$5,733

Annual tuition and fees for graduate and professional students are $3,800 and $3,850, respectively. Room and board costs for these students range from $2,000 to $3,825.

SAN FRANCISCO STATE UNIVERSITY

BACKGROUND INFORMATION

University description

The university is one of 19 campuses in the California State university and college system and is primarily State funded. The campus is located in the southwest section of San Francisco. The university offers programs leading to a full range of baccalaureate and master's degrees and offers doctorate programs in special education.

Enrollment

Total enrollment is 24,668 students. The full-time enrollment of 14,520 students includes 11,616 undergraduate and 2,904 graduate students. A full-time undergraduate student must carry 12 or more units, and a full-time graduate student must carry 9 or more units.

Student housing

About 6 percent of the students live on campus in 3 residence halls and 28 apartment units. These students have access to cooking facilities. Each residence hall has a kitchenette, and students are allowed to have appliances in their rooms.

Education-related financial aid

Financial assistance to 6,504 recipients totaled $5.8 million and is summarized below. Some students received more than one type of financial aid.

	Recipients	Amount
Scholarships	734	$ 209,083
Grants	2,836	2,384,551
Loans	2,934	3,191,564
Total	6,504	$5,785,198

Cost of attendance

There is no tuition charge for California residents. The estimated average annual cost of attendance for a full-time undergraduate or graduate student who is a State resident living in university housing is $1,351.

Item	Annual cost
Fees	$ 191
Room and board	1,160
Total	$1,351

Undergraduate and graduate students who are not California residents pay annual tuition and fees of $1,032 and $774, respectively. Room and board costs are the same for all students.

UNIVERSITY OF PORTLAND

BACKGROUND INFORMATION

University description

The university is a small, private institution located in the north residential section of Portland, Oregon. It offers a variety of programs on the undergraduate and graduate levels.

Enrollment

The university has a total enrollment of about 2,000 students. The full-time enrollment of 1,440 students consists of 1,369 undergraduate and 71 graduate students. A full-time undergraduate student must carry 10 or more credit hours and a full-time graduate student must carry 9 or more credit hours.

Student housing

The university's 5 dormitories have a capacity of 1,158 students. For the spring 1976 semester, about one-third of the full-time students live on campus.

Education-related financial aid

Financial aid to 1,358 recipients totaled $988,921 during fiscal year 1975, as summarized below. Some students received more than one type of financial aid.

	Recipients	Amount
Scholarships	367	$ 77,972
Loans	646	697,119
Grants	345	213,830
Total	1,358	$988,921

The "University of Portland Effort" provided additional financial aid amounting to $503,829 to an undetermined number of students. This program involved a wide range of aid, including athletic scholarships, grants to minority students, and funds for student employment.

Cost of attendance

The estimated average annual cost of attendance for a full-time undergraduate or graduate student living in university housing is $3,550.

Item	Annual cost
Tuition and fees	$2,300
Room and board	1,250
Total	$3,550

EXHIBITS

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EXHIBIT A EXHIBIT A

ESTIMATED NUMBER OF STUDENTS RESIDING IN THE PROJECT AREAS REVIEWED AND ESTIMATED PERCENT AND NUMBER RECEIVING FOOD STAMPS AS HEADS OF HOUSEHOLDS--DECEMBER 1975 THROUGH FEBRUARY 1976

University	Actual full-time enrollment	Residing in project areas reviewed	Receiving food stamps Percent	Receiving food stamps Number
Tampa	1,663	1,663	0.58	10
Wisconsin	32,300	31,653	2.33	736
North Texas State	9,142	9,142	0.44	40
Pennsylvania	a/ 14,354	12,693	1.73	220
San Francisco State	14,520	11,750	13.11	1,540
Portland	1,440	1,320	1.26	17
Total	73,419	68,221	b/ 3.76	b/ 2,563

a/Excludes 406 full-time students who withheld permission for the university to publish their names and addresses in the student directory.

b/Subject to sampling variations. Due to these variations, there is a 95-percent probability that the actual percent lies between 3.24 and 4.28. The probability is the same that the actual number of students lies between 2,225 and 2,901.

ESTIMATED NUMBER OF UNDERGRADUATE STUDENTS RESIDING IN THE PROJECT AREAS REVIEWED AND ESTIMATED PERCENT AND NUMBER RECEIVING FOOD STAMPS AS HEADS OF HOUSEHOLDS--DECEMBER 1975 THROUGH FEBRUARY 1976

University	Actual full-time undergraduate enrollment	Residing in project areas reviewed	Receiving food stamps	
			Percent	Number
Tampa	1,563	1,563	0.61	10
Wisconsin	23,660	23,593	1.98	467
North Texas State	7,685	7,685	0.35	27
Pennsylvania	a/ 7,404	6,981	1.28	89
San Francisco State	11,616	9,397	12.45	1,170
Portland	1,369	1,253	1.32	17
Total	53,297	50,472	b/ 3.52	b/ 1,780

a/Excludes 158 full-time undergraduates who withheld permission for the university to publish their names and addresses in the student directory.

b/Subject to sampling variations. Due to these variations, there is a 95-percent probability that the actual percent lies between 2.94 and 4.10. The probability is the same that the actual number of students lies between 1,501 and 2,059.

EXHIBIT C EXHIBIT C

ESTIMATED NUMBER OF GRADUATE STUDENTS RESIDING IN THE PROJECT AREAS REVIEWED AND ESTIMATED PERCENT AND NUMBER RECEIVING FOOD STAMPS AS HEADS OF HOUSEHOLDS--DECEMBER 1975 THROUGH FEBRUARY 1976

University	Actual full-time graduate enrollment	Residing in project areas reviewed	Receiving food stamps	
			Percent	Number
Tampa	100	100	0.00	0
Wisconsin	8,640	8,060	3.34	269
North Texas State	1,457	1,457	0.91	13
Pennsylvania	a/ 6,950	5,712	2.29	131
San Francisco State	2,904	2,353	15.74	370
Portland	71	67	0.00	0
Total	20,122	17,749	b/ 4.42	b/ 783

a/Excludes 248 full-time graduate students who withheld permission for the university to publish their names and addresses in the student directory.

b/Subject to sampling variations. Due to these variations, there is a 95-percent probability that the actual percent lies between 3.30 and 5.54. The probability is the same that the actual number of students lies between 594 and 972.

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INCOMES AND BONUS VALUES FOR

STUDENTS IN SAMPLE RECEIVING FOOD STAMPS

University	Gross monthly income		Net monthly income for food stamp purposes		Monthly food stamp bonus value	
	Average	Range	Average	Range	Average	Range
Tampa	$386	$104 to $438	$ 18	$0 to $ 54	$47	$40 to $ 50
Wisconsin	321	0 to 676	125	0 to 288	53	12 to 192
North Texas State	329	186 to 512	112	3 to 194	65	38 to 152
Pennsylvania	398	98 to 875	74	0 to 185	41	12 to 126
San Francisco State	200	0 to 834	81	0 to 356	51	12 to 218
Portland	511	200 to 796	237	0 to 417	63	20 to 92
Average and range for the six schools	250	0 to 875	91	0 to 417	51	12 to 218

INCOMES AND BONUS VALUES FOR UNDERGRADUATE STUDENTS IN SAMPLE RECEIVING FOOD STAMPS

University	Gross monthly income		Net monthly income for food stamp purposes		Monthly food stamp bonus value	
	Average	Range	Average	Range	Average	Range
Tampa	$386	$104 to $438	$ 18	$0 to $ 54	$47	$40 to $ 50
Wisconsin	310	0 to 416	137	0 to 277	48	15 to 90
North Texas State	275	186 to 512	79	3 to 166	73	38 to 125
Pennsylvania	384	164 to 645	126	0 to 185	25	12 to 50
San Francisco State	199	0 to 834	80	0 to 284	52	12 to 218
Portland	511	200 to 796	237	0 to 417	63	20 to 92
Average and range for the six schools	240	0 to 834	94	0 to 417	50	12 to 218

EXHIBIT E

INCOMES AND BONUS VALUES FOR GRADUATE STUDENTS IN SAMPLE RECEIVING FOOD STAMPS

University	Gross monthly income		Net monthly income for food stamp purposes		Monthly food stamp bonus value	
	Average	Range	Average	Range	Average	Range
Tampa	$ 0	$ 0 to $ 0	$ 0	$ 0 to $ 0	$ 0	$ 0 to $ 0
Wisconsin	338	0 to 676	107	0 to 288	61	12 to 192
North Texas State	437	417 to 456	177	159 to 194	47	42 to 52
Pennsylvania	407	98 to 875	38	0 to 138	52	23 to 126
San Francisco State	201	0 to 520	85	0 to 356	51	12 to 140
Portland	0	0	0	0 to 0	0	0 to 0
Average and range for the six schools	277	0 to 875	83	0 to 356	53	12 to 192

EXHIBIT F

APPENDIX V

Local Community Groups

THOMAS S. FOLEY, WASH.,
CHAIRMAN
W. R. POAGE, TEX.,
VICE CHAIRMAN
E DE LA GARZA, TEX.
JOSEPH P. VIGORITO, PA.
WALTER B. JONES, N.C.
ED JONES, TENN.
JOHN MELCHER, MONT.
DAWSON MATHIS, GA.
BOB BERGLAND, MINN.
GEORGE E. BROWN, JR., CALIF.
DAVID R. BOWEN, MISS.
CHARLES ROSE, N.C.
JERRY LITTON, MO.
JOHN BRECKINRIDGE, KY.
FREDERICK W. RICHMOND, N.Y.
RICHARD NOLAN, MINN.
JAMES WEAVER, OREG.
ALVIN BALDUS, WIS.
JOHN KREBS, CALIF.
TOM HARKIN, IOWA
JACK HIGHTOWER, TEX.
BERKLEY BEDELL, IOWA
MATTHEW F. MC HUGH, N.Y.
GLENN ENGLISH, OKLA.
FLOYD J. FITHIAN, IND.
JOHN W. JENRETTE, JR., S.C.
NORMAN E. D'AMOURS, N.H.

U.S. House of Representatives
Committee on Agriculture
Room 1301, Longworth House Office Building
Washington, D.C. 20515

November 19, 1975

WILLIAM C. WAMPLER, VA.,
RANKING MINORITY MEMBER
KEITH G. SEBELIUS, KANS.
PAUL FINDLEY, ILL.
CHARLES THONE, NEBR.
STEVEN D. SYMMS, IDAHO
JAMES P. JOHNSON, COLO.
EDWARD R. MADIGAN, ILL.
PETER A. PEYSER, N.Y.
MARGARET M. HECKLER, MASS.
JAMES M. JEFFORDS, VT.
RICHARD KELLY, FLA.
CHARLES E. GRASSLEY, IOWA
TOM HAGEDORN, MINN.
W. HENSON MOORE, LA.

FOWLER C. WEST,
STAFF DIRECTOR

ROBERT M. BOR,
HYDE H. MURRAY,
COUNSELS

JOHN P. KRAMER,
SPECIAL COUNSEL

L. T. EASLEY,
PRESS ASSISTANT

Dear

The House Committee on Agriculture has begun a comprehensive review of the Food Stamp program. Crucial to the Committee's understanding of the program are the views of local groups who have had direct contact with Food Stamp applicants and recipients. Accordingly, we have prepared the enclosed questionnaire in an effort to obtain some of these views. The results will be summarized and the summary will be made available to the Committee for its consideration. We will also provide you with a copy of the summary.

The questionnaire is designed to provide the opportunity for the analysis of the views of local groups over a wide range of food stamp topics. Quite likely, however, there will be topics you consider important which have been excluded. Please feel free to supplement the questionnaire with any additional information you believe would be useful to the Committee. We are particularly interested in having any survey results or studies which you may have done and that remain relevant to current problems and procedures.

We would appreciate having the questionnaire returned as soon as possible but no later than December 31. It should be addressed to:

Mr. James E. Springfield
House Committee on Agriculture
1301 Longworth House Office Building
Washington, D.C. 20515

If you have any questions, please call Mr. Springfield at 202-225-2171. Thank you for your cooperation.

Sincerely,

Thomas S. Foley
Chairman

Food Stamp Questionnaire

Objective--The purpose of this questionnaire is to collect information from local groups who have had direct contact with Food Stamp applicants and recipients. It provides the opportunity for such groups to identify problems and to suggest changes. It also asks for funding information. The information contained on the returned questionnaire will be analysed and reported to the House Committee on Agriculture for its use in considering possible legislative changes in the Program.

Directions: Please respond on the basis of the operation of the program in your geographic area.

A number of questions provide you the opportunity to explain your answer and to make recommendations for changes. If additional space is needed, please attach additional pages and identify by number the questions being answered. These explanations and recommendations will be given very careful consideration.

Respondent Information:

Name:

Title:

Organization:

Address:

Telephone:

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I. What types of services does your organization provide? Please check yes or no and add any comments you may have.

	YES	NO
A. Assisting clients in Fair Hearing procedure	____	____
Comments:		
B. Pre-screening (Explaining eligibility requirements of food stamp program to potential applicants)	____	____
Comments:		
C. Distributing applications	____	____
Comments:		
D. Assisting clients in completing applications	____	____
Comments:		
E. Funds and/or food to meet emergency situations	____	____
Comments:		
F. Funds to aid recipient with purchase price	____	____
Comments:		
G. Language interpreters	____	____
Comments:		

H. Nutrition Education ____ ____

Comments:

I. Transportation ____ ____

Comments:

J. Other (specify)

1. _____

Comments:

2. _____

Comments:

II. Which, if any, of the following groups in your area have special problems in applying for and being certified for food stamps?

Please check the response applicable to your experience. If your answer is yes, please explain the problem and give any recommendation you may have for alleviating the problem.

	YES	NO	NO EXPERIENCE
A. Aliens	____	____	_____

Explanation:

Recommendations:

B. Disabled:	____	____	_____

Explanation:

Recommendations:

-4-

(Continued) Which, if any, of the following groups in your area have special problems in applying for and being certified for food stamps?

	YES	NO	NO EXPERIENCE
C. Elderly	___	___	___

Explanation:

Recommendations:

D. Indians	___	___	___

Explanation:

Recommendations:

E. Migrants	___	___	___

Explanation:

Recommendations:

F. Military	___	___	___

Explanation:

Recommendations:

II. (Continued) Which, if any, of the following groups in your area have special problems in applying for and being certified for food stamps?

	YES	NO	NO EXPERIENCE
G. Strikers	____	____	____

Explanation:

Recommendations:

H. Students	____	____	____

Explanation:

Recommendations:

I. Unemployed	____	____	____

Explanation:

Recommendations:

J. Low Income Employed	____	____	____

Explanation:

Recommendations:

-6-

(Continued) Which, if any, of the following groups in your area have special problems in applying for and being certified for food stamps?

K. Others (specify)

1. _____

Explanation:

Recommendations:

2. _____

Explanation:

Recommendations:

III. In determining and/or calculating income and resources, which, if any, of the following aspects do you consider major problem areas for food stamp applicants?

	YES	NO
A. Gross Income	____	____

Explanation:

Recommendation:

B. Income Deductions	____	____
1. Shelter Costs	____	____

Explanation:

Recommendations:

III. (Continued) In determining and/or calculating income and resources, which, if any, of the following aspects do you consider major problem areas for food stamp applicants?

	YES	NO
2. Medical Expense	____	____

Explanation:

Recommendations:

3. Child Care	____	____

Explanation:

Recommendations:

4. Tuition and fees	____	____

Explanation:

Recommendations:

5. Disaster (including funeral expenses) YES____ NO____

Explanation:

Recommendations:

6. Vendor and/or In Kind payments	____	____

Explanation:

Recommendations:

-8-

III. (Continued) In determining and/or calculating income and resources, which, if any, of the following aspects do you consider major problem areas for food stamp applicants?

7. Other (please specify)

a. _____

Explanation:

Recommendations:

b. _____

Explanation:

Recommendations:

c. Resource Limitations YES____ NO____

Explanation:

Recommendations:

IV. In connection with the way the program is being administered in your Locality, which if any of the following administrative procedures do you consider major problem areas? Please check yes, no, or no experience. If your answer is yes, please explain the problem and give any recommendations you may have for alleviating the problem.

	YES	NO	NO EXPERIENCE
A. Coupon Issuance	____	____	_____

Explanation:

Recommendations:

IV. (Continued) In connection with the way the program is being administered in your locality, which if any of the following administrative procedures do you consider major problem areas?

	YES	NO	NO EXPERIENCE
B. Fair Hearings	___	___	___

Explanation:

Recommendations:

C. NPA Certification	___	___	___

Explanation:

Recommendations:

D. NPA Recertification	___	___	___

Explanation:

Recommendations:

E. Outreach	___	___	___

Explanation:

Recommendations:

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IV. (Continued) In connection with the way the program is being administered in your locality, which if any of the following administrative procedures do you consider major problem areas?

	YES	NO	NO EXPERIENCE
F. PA Certification	____	____	_____

Explanation:

Recommendations:

G. PA Recertification	____	____	_____

Explanation:

Recommendations:

H. Quality Control (Interviews)	____	____	_____

Explanation:

Recommendations:

I. Recipient Claims	____	____	_____

Explanation:

Recommendations:

IV. (Continued) In connection with the way the program is being administered in your locality, which if any of the following administrative procedures do you consider major problem areas?

	YES	NO	NO EXPERIENCE
J. Retroactive Benefits	___	___	_____

Explanation:

Recommendations:

K. Verification (Documents and receipts needed by applicant to support income, deductions, and resources)	___	___	_____

Explanation:

Recommendations:

L. Work Registration	___	___	_____

Explanation:

Recommendations:

M. Other (please specify)

1. _____

Explanation:

Recommendations:

2. _____

Explanation:

Recommendations:

V. Which of the following problems, if any, do food stamp recipients have in applying for food stamps in your area? Please check yes or no. If your answer is yes, please explain the problem and give any recommendations you may have for alleviating the problem.

	YES	NO
A. Eligibility Workers have Insufficient Training	___	___

Explanation:

Recommendations:

B. Rude Behavior	___	___

Explanation:

Recommendations:

C. Inadequate Number of Certification Centers	___	___

Explanation:

Recommendations:

D. Inconvenient Hours of Operation	___	___

Explanation:

Recommendations:

E. Long Lines	___	___

Explanation:

Recommendations:

V. (Continued) Which of the following problems, if any, do food stamp recipients have in applying for food stamps in your area?

	YES	NO
F. Long Wait for Appointments	____	____

Explanation:

Recommendations:

G. No Bilingual Personnel	____	____

Explanation:

Recommendations:

H. Insufficient Staffing	____	____

Explanation:

Recommendations:

I. Transportation to Food Stamp Office	____	____

Explanation:

Recommendations:

J. Other (please specify)

1. _____

Explanation:

Recommendations:

V. (Continued) Which other problems, if any, do food stamp recipients have in applying for food stamps in your area?

2. _____

Explanation:

Recommendations:

VI. Which of the following problems, if any, do food stamp recipients have in purchasing food stamps at issuance centers? Please check yes or no. If your answer is yes, please explain the problem and give any recommendations you may have for alleviating the problem.

	YES	NO
A. Rude Behavior	____	____

Explanation:

Recommendations:

B. Inconvenient Hours of Operation	____	____

Explanation:

Recommendations:

C. Inconvenient Locations	____	____

Explanation:

Recommendations:

D. Issuance Centers Withdraw Service When Caseload Heavy	____	____

Explanation:

Recommendations:

VI. (Continued) Which of the following problems, if any, do food stamp recipients have in purchasing food stamps at issuance centers?

	YES	NO
E. Long Lines	___	___

Explanation:

Recommendations:

F. No Bilingual Personnel	___	___

Explanation:

Recommendations:

G. No Changemaking	___	___

Explanation:

Recommendations:

H. Other (Please specify)

1. _____

Explanation:

Recommendations:

2. _____

Explanation:

VII A. Is Your organization an Issuance Center? yes _____ no _____

B.. If your answer is yes, what fee do you receive per transaction? _____ _____

VIII. Please briefly describe your source(s) of funding and percentage from each source.

Percentage

A. Federal (please indicate agencies _____

(1)_____ _____

(2)_____ _____

(3)_____ _____

Comments:

1. Do you receive funding from the Community Food and Nutrition (CFN) Program (formerly the Emergency Food and Medical Services Program) of the Community Services Administration (formerly OEO)?

Yes_____ No_____

2. If you do, what services do you provide with regard to the Food Stamp Program, using all of part of those funds? Please indicate each service and, if possible, percentage of CFN funds for each service.

B. State (Please indicate agencies) Percentage _____

(1)_____ _____

(2)_____ _____

(3)_____ _____

Comments:

C. Local, County, City, etc. (please indicate agencies)

(1)_____ Percentage _____

(2)_____ _____

(3)_____ _____

Comments:

D. Other (please indicate specific source--e.g., foundation, church, etc.)

1._____ Percentage _____

Comments:

2. _____ Percentage_____

Comments:

IX. Describe briefly how your organization became involved in food stamp Outreach.

X. Outreach -- On the basis of experience in your area, which outreach techniques have proved effective and ineffective and explain the basis for your assessment.

	Effective	Ineffective	No Experience
	Please circle appropriate number.		
A. Information Distributed at Grocers	1	2	3
Explanation:			
B. Information Distributed to Community Groups	1	2	3
Explanation:			
C. Information Distributed to Other Groups (List groups)			
1. _____	1	2	3
Explanation:			
2. _____	1	2	3
Explanation:			
D. Door-to-Door Campaigns	1	2	3
Explanation:			

X. (Continued) Outreach — On the basis of experience in your area, which outreach techniques have proved effective and ineffective and explain the basis for your assessment.

	Effective	Ineffective	No Experience
E. Press Releases	1	2	3
F. TV and/or Radio Spots	1	2	3
G. Telephone Campaigns (hot line)	1	2	3

E. Press Releases

Explanation:

F. TV and/or Radio Spots

Explanation:

G. Telephone Campaigns (hot line)

Explanation:

H. Other (specify)

1. _____

Explanation:

2. _____

Explanation:

XI. The Variable Purchase Option, which allows the household to buy less than its normal allotment, must now be available to all recipients Should the variable purchase option be: (Check only one)

A. Mandatory? (Should States be required to offer the Variable Purchase Option?)_____

Explanation:

B. State Option (Should States be allowed to decide whether or not they will offer the Variable Purchase Option?)_____

Explanation:

XI. (Continued) The Variable Purchase Option must now be available to all recipients. Should the variable purchase option be: (Check only one)

C. Prohibited? (Should States be prohibited from offering the Variable Purchase Option?) _____

Explanation:

XII. Briefly describe any formal or informal affiliation you may have with the Food Stamp Office in your area. How was that affiliation achieved, and how is it maintained? Please include in your answer the number of volunteers you have working in the Food Stamp office and the services they perform. If you have no affiliation with the Food Stamp Office, please explain why.

XIII. Please identify up to five of what you consider to be the most serious problems in the Food Stamp program, from the most serious to the least serious. These problems may repeat problems already noted above. Briefly explain your reasons for ranking the problems as you do including any available data substantiating your views.

A. Identification (most serious) _____

Explanation:

B. Identification _____

Explanation:

C. Identification _____

Explanation:

D. Identification _____

Explanation:

E. Identification (less serious) _____

Explanation:

XIV. Please identify up to five aspects of the program that you consider most satisfactory and rank from A to E below. Briefly explain your reasons for ranking the listing as you do including any available data substantiating your views.

A. Identification (most satisfactory) _____

Explanation:

B. Identification _____

Explanation:

C. Identification _____

Explanation:

D. Identification _____

Explanation:

E. Identification (less satisfactory) _____

Explanation:

SURVEY OF LOCAL COMMUNITY GROUPS ON FOOD STAMPS

As part of the Food Stamp Study by the House Committee on Agriculture, an effort was made to ascertain perceptions of the Food Stamp Program by people who worked on it. In order to do this, questionnaires were sent to State and local administrators of the program (a separate analysis of the responses to this questionnaire has been completed by the Committee Staff), and to local community groups who had direct contact with food stamp applicants and recipients. The latter is the subject of this analysis.

While it was possible to select a random sample for the questionnaire sent to the administrators, it should be emphasized that it was impossible to do so for the community groups, and there is no way to test the statistical validity of the community group sample. There is no available universe of such groups from which to draw a random sample. Therefore, the results should be seen as the representation only of those 228 organizations which responded. Nevertheless, as far as the Committee is aware, the responses provide a much wider-based perspective of the program as seen by recipient-oriented groups than has previously been available.

The questionnaire was sent to 212 organizations selected from lists of groups obtained from people experienced in providing potentially eligible individuals with information concerning those government-funded programs designed to assist them in meeting their basic daily needs. The organizations selected included such groups as legal aid and services bureaus, community action councils, county child development programs, church social service groups, hunger task forces, family health centers, and welfare rights organizations.

Generally most of these groups are interested in improving what they view as the ineffective delivery of service programs and in making these programs more accessible to those who are eligible.

With this questionnaire we wished to ascertain from these groups their perceptions of problem areas in the Food Stamp Program and to allow them an opportunity to suggest changes. We also were interested in gathering information on the types of services the groups provided food stamp applicants and recipients. Space was provided in each question for comments and recommendations. Since the administration of the Food Stamp Program, as well as the problems applicants and recipients encounter, can vary among project areas, it was felt to be important to obtain information from as wide a geographical area as possible.

Many of the groups copied the questionnaire and sent it to other organizations whom they felt had pertinent food stamp experience. A total of 228 were returned to the Committee on Agriculture by the January 31, 1976, deadline and are included in this analysis. Responses were received from groups in 37 states, with approximately two-thirds from urban and suburban areas and the remainder from rural locations. Most respondents answered the questionnaire from the perspective of their specific organization's experience, while a small number described their personal encounters with food stamp applicants and recipients.

I. Community Group Services

Community groups were asked what types of service they provided to food stamp applicants and recipients. Nine types of services were listed and respondents were asked to check each one yes or no. The table below shows the result of this question.

	Number	Percent
1. Prescreening		
Yes	206	90
No	21	9
No Response	1	1
2. Assisting Clients in Completing Application		
Yes	180	79
No	48	21
No Response	0	0
3. Assisting Clients in Fair Hearings Process		
Yes	169	74
No	57	25
No Response	2	1
4. Transportation		
Yes	153	67
No	72	32
No Response	3	1
5. Nutrition Education		
Yes	141	62
No	81	36
No Response	6	3
6. Funds and/or Food to Meet Emergencies		
Yes	121	53
No	102	45
No Response	5	2
7. Distributing Applications		
Yes	106	46
No	118	52
No Response	4	3
8. Language Interpreter		
Yes	80	36
No	145	64
No Response	3	1
9. Funds to Aid Recipient with Purchase Price		
Yes	74	32
No	150	66
No Response	4	2

1. Prescreening

The types of prescreening services offered by the community groups varied widely from printed material displayed in waiting rooms to individual interviews.

Responses indicated that applicants were usually dealt with on an individual basis; however, some groups offered training conferences, community meetings, and workshops. Many provided written and oral guidelines for completing food stamp application forms, as well as information on types of documentation required for food stamp certification.

2. Assistance with Applications

Most community groups were prepared to assist the applicant in completing the application forms so that correct and complete data would be given to the food stamp worker.

A number of people commented that applicants were confused by the forms. One director of a community education group said: "Many of our clients are illiterate and request our assistance in completing the application because they are often suspicious of food stamp personnel and fear that food stamp workers will use their lack of education to deny them food or reduce the amount of stamps they will receive."

3. Fair Hearings

Respondents stated they often tried to solve a recipient's food stamp problem through informal discussions with the Food Stamp office rather than by requesting a Fair Hearing. When the need for a Fair Hearing became apparent, some community groups referred the client to a legal aid office or a welfare rights group. However, most community groups indicated that since applicants frequently had little knowledge of food stamp regulations and were many times intimidated by Food Stamp officials, they filed Fair Hearing requests for the client and/or represented or accompanied the client to the hearing.

To encourage wider dissemination of Fair Hearing information, one local services group conducted 15 statewide training seminars, between June, 1974, and February, 1975, for 600 people. Subsequent to those seminars, an additional twelve were held along with 126 public information meetings involving approximately 3,000 persons, as well as 28 legal rights seminars, involving 400 people.

4. Transportation

A majority of community groups assisted with transportation to and from food stamp offices. Those agencies which did not provide transportation usually referred clients to agencies that did.

5. Nutrition Education

Nutrition education was provided by over half the community groups who responded. Besides providing nutrition literature, some agencies employed a staff nutritionist, sponsored food festivals and seminars, and presented nutrition information at community meetings. In addition, some groups held cooking classes and offered assistance in budgeting. Several mentioned Head Start Parents, Community Food and Nutrition Programs and Comprehensive Nutrition programs for the elderly as examples of agencies with whom they cooperated in nutrition education endeavors.

6. Emergency Situations

Community groups responded to food and/or emergency situations in varying ways. Some had sponsored hot meal programs or had established emergency food shelves. On occasion individual volunteers and organizations provided food and/or a small amount of money for specific cases and in a few instances money was given from personal resources.

Several groups said they referred clients in such situations to food pantries or to organizations which provided emergency food assistance.

7. Distribute Applications

About half the groups responding distributed food stamp applications. Of those who did not, a number said their local food stamp office refused to provide them with applications. In these localities, the applicant must obtain the forms from the food stamp office.

As a result, many community groups who wished to distribute food stamp forms and to assist the client in completing them were unable to do so. Those agencies who did not distribute forms generally referred the applicant to the food stamp office.

8. Language Interpreters

Language interpreters were available in a number of community group offices, as the table indicates. A few of those who commented they did not have interpreters or bilingual personnel said there was little need for this service in their area.

9. Funds for Purchase Price

The majority of community groups did not advance funds to aid recipients with their food stamp purchase price. Those who did frequently commented that this was done only on an emergency basis. A number of groups said they referred the person to organizations which could provide financial assistance.

II. Relationship to Food Stamp Office

Community groups were asked to describe any formal or informal affilitation with their local food stamp office and how that affiliation was achieved. The purpose of this question was to determine what type of relationship, if any, community groups had been able to establish with their local food stamp office. We also hoped to ascertain whether the groups viewed this relationship as productive and useful. The table below reflects the type of relationships groups had with food stamp offices.

	Number	Percent
Formal	23*	10
Informal	118*	51
No Affiliation	41	18
No Response	49	21
		100

Those groups having formal or contractual arrangements with the food stamp office generally were involved in pre-screening and outreach activities. Some of the groups received formal training from food stamp office personnel and most of them had scheduled periodic meetings to keep the lines of communication open.

Those groups with informal affiliations generally seemed to maintain their relationship with the food stamp office through close personal contact. Some groups had held joint press conferences with food stamp workers, and a number mentioned they had established a rapport with case workers

---

* Three groups said they had both formal and informal relationships.

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rather than supervisors. A couple of organizations had both formal and informal affiliations with the food stamp office while a few others with informal affiliations anticipated contractual arrangements in the near future.

The informal affiliations ranged from distributing information for the food stamp office to scheduled meetings with food stamp personnel to discuss mutual problems. A food stamp coordinator in a community action agency said of his informal affiliation, "Our relations are often strained, but are relaxed by our continual cooperation in our clearly defined effort to aid the needy."

Most of those who had no affiliation with the food stamp office stated they had unsuccessfully attempted to establish one. A committee member of a County Assistance Program said most of her organization's meetings were confrontations. "They treat us," she said, "with the same coldness and haughtiness as they treat the recipients." A worker for a community action committee commented that "the program is the responsibility of the County Welfare Department. We serve as information and referral only. To date, we have had to seek out the information."

Very few groups had volunteers working in the food stamp office. Of those who commented on this, many said it was because the food stamp office would not allow it. Among those groups who did, a director of a council of economic opportunity stated that her council has "organized and trained a team of 20 prescreeners who volunteer throughout the county and prescreen within the Department of Social Services."

III. Income and Resource Determinations and Verifications

Community groups were asked what were the major problem areas for food stamp applicants in determining and/or calculating income and resources. Eight areas were listed and respondents were asked to check each one yes or no. A table showing the responses to this question follows.

	Number	Percent
1. Shelter Costs		
Yes	128	56
No	69	30
No Response	31	14
2. Medical Expenses		
Yes	125	55
No	76	33
No Response	27	12
3. Resource Limit		
Yes	104	46
No	61	27
No Response	63	28
4. Gross Income		
Yes	95	42
No	102	45
No Response	31	14
5. Tuition and Fees		
Yes	68	30
No	108	47
No Response	52	23
6. Vendor/In Kind		
Yes	67	29
No	97	43
No Response	64	28
7. Disaster		
Yes	64	28
No	119	52
No Response	45	20
8. Child Care		
Yes	45	20
No	137	60
No Response	46	20

1. Shelter Costs

Under present regulations shelter costs in excess of 30 percent of household income can be deducted from the household's income. The shelter deduction is calculated based on the household's income after all other allowable deductions have been made. The shelter costs include rent or mortgage payments, utility payments for heating, electricity, water, sewer or garbage collection, and the basic service fee for one telephone, as well as property taxes, State and local assessments, and insurance on the home itself.

The States can develop a standard utility allowance, which must be reviewed annually, for use in calculating shelter costs, but this standard must be approved by the Food and Nutrition Service. When applying for food stamps or being recertified, a household can use its actual utility costs if it can verify them by presenting paid bills for previous months rather than using the State's standard utility allowance. The States can also develop with FNS approval other standard allowances to reflect other types of variations (e.g., different standards for urban and rural areas).

In addition, the Food and Nutrition Service has developed a shelter standard chart which the States may use in determining the amount of shelter costs to be deducted from the household's income.

Many of those who said shelter costs were a problem felt the shelter standard was inadequate. Contributing to that inadequacy was rising inflation and rapidly increasing utility costs. A number of people said allowances should be made for more shelter costs such as home repair expenses. Complex and confusing regulations, as well as the fact that the very poor and the elderly often have few shelter costs were seen as additional problems. The most frequent recommendation was a standard deduction. Some people suggested the use of an optional standard deduction, allowing the recipient to decide which was preferred, itemization of expenses or a standard deduction.

2. Medical Expenses

To determine basis of issuance, an applicant's income and expenses are converted to monthly amounts usually through averaging income and expenses anticipated during the certification period. Any one-time payments made prior to certification or recertification are not allowed as a deduction during the certification period. In addition, regulations provide only medical expenses in excess of $10 can be deducted from a household's income, and the amount deducted is that amount actually paid during the certification period. If the recipient pays additional medical bills during the certification period, the recipient must return to the food stamp office to apply for a downward adjustment of the purchase price of the recipient's food stamp allotment. Thus, those medical bills which can be averaged are generally those that occur on a fixed basis. This treatment of medical expenses was considered to be unfair and a major problem area by many respondents. A large number suggested that anticipated medical expenses for which the recipient had been billed but had not paid be deducted.

Many people said all medical expenses including non-prescription drugs should be deducted and the requirement that only paid monthly medical expenses of over $10 can be deducted should be dropped.

3. Resources

A number of respondents did not answer this question although they did answer all other questions. In reviewing the layout of the questionnaire, it became obvious that placement of the resource question was such that respondents could

easily have overlooked it. If the statistics in the table for this question had been based only on those who had answered the question, resources would rank as the second most prevalent problem. Therefore, a discussion of comments on resources has been included.

For food stamp purposes, resources are considered to be liquid and nonliquid assets, the value of which is the fair market value less encumberances.

A household with two or more members with at least one member age 60 or over, will be denied food stamps if its non-exempt resources exceed $3,000. For all other households including all one-person households, the non-exempt resource limit is $1,500. Exempt resources include but are not limited to a home and lot normal to the community, one licensed vehicle plus any other vehicles necessary for the employment of household members, personal effects, household goods, the cash value of life insurance policies and pension funds, property which produces income consistent with its fair market value such as investment property returning rental income normal to its use or other property essential to employment, a farmer's machinery, livestock, or land and goods, property, and vehicles used by self-employed people in their occupations. Verification of non-exempt resources is at the discretion of the food stamp eligibility worker.

Liquid assets include but are not limited to cash on hand, bank accounts, and stocks and bonds; while non-liquid resources can be real property such as land and buildings, and personal property such as boats and aircraft.

Most respondents felt that the resource limits of $1,500 and $3,000 were unrealistic because of rising inflation. In addition, a number said recipients had difficulty selling non-liquid assets, particularly real estate, in the present economy. Suggestions here included allowing the otherwise qualified applicant to receive food stamp assistance as long as the applicant's property was listed for sale.

Many respondents said resource levels should be higher for the working poor and the elderly who often saved funds for emergencies such as medical costs and funeral expenses.

4. Gross Income

For food stamp purposes, gross income includes, but is not limited to, wages, the actual value of housing received from the employer in lieu of or supplemental to the employee's

income, but not to exceed $25, training allowances, public assistance payments, educational grants, child support, alimony and SSI, annunities, pensions, and vendor payments.

Complex and confusing rules and verification difficulties were most frequently mentioned as causing problems in determining gross income. In addition, special income verification problems were cited for farmers and migrant farmworkers. Some working poor and migrant farmworkers were said to receive their wages in cash; thus they did not have a check stub and could not verify their income.

A few respondents said verbal confirmation of income with the applicant's employer by the eligibility worker embarrassed the applicant. There were several reports too that some employer's and crew leaders in migrant farmworker cases told the food stamp office the employee was receiving higher wages than was true.

Some people interpreted the question as asking whether gross rather than net income should be the determining factor for food stamp eligibility. All said net rather than gross income should be used.

5. Tuition and Mandatory Fees

Current food stamp regulations allow applicants to deduct expenses for tuition and mandatory fees assessed by educational institutions. No deductions are allowed for other educational expenses, such as books, supplies and transportation. Counted in determining a household's income are scholarships, educational grants, fellowships, deferred payment loans, and veteran's educational benefits.

The majority of those who viewed tuition and fees as a problem said not enough school expenses were deductible. Many thought that deductions should be allowed for books and other educational expenses. Also cited as problems were the complex method for calculating student income and provisions allowing grants, fellowships and the like to be included in the determinations of a household's income.

6. Vendor and In-Kind Income

Vendor and in-kind shelter payments are included as income for food stamp purposes. The value of in-kind shelter is considered to be the actual value of housing received from an

employer in kind, in lieu of or supplemental to the employee's income, not to exceed $25 a month. Vendor payments are those monetary payments made on behalf of the household by a person who is not a member of the household. Vendor payments include certain housing assistance but does not include payments for medical costs.

Most of those who regarded vendor and in-kind payments as a problem thought that counting such payments as income was fair because in many instances the food stamp recipient never had access to the payment. Others said they thought the value of such payments was difficult to assess. Most suggested that vendor and in-kind payments be excluded in determining income for food stamp purposes.

7. Disaster Expenses

Presently unusual expenses incurred due to an individual household's disaster or casualty losses which could not be reasonably anticipated by the household are allowed as disaster deductions from income.

Those who commented on disaster expenses as a problem felt that the decisions to allow such expenses were frequently arbitrary, that determination of expenses took too long, and that recipients were not informed of disaster expense allowances. Recommended were more flexibility for determining and verifying disaster expenses and clarification of present regulations.

8. Child Care

Child care payments are those payments for the care of a child or other persons when necessary for a household member to accept or continue employment or training or education which is preparatory for employment. These payments are allowed as deductions from income.

Of those commenting on child care expenses as a problem, most said the major difficulty lay in complex requirements and confusing decisions as to what was allowed as a child care expense and what types of receipts were acceptable.

IV. Identification of Administrative Problems

Community groups were asked what administrative procedures they considered to be major problem areas as administered in their localities. Ten procedures were listed and respondents were asked to check each one yes, no, or no experience. Following are the results of this question.

	Number	Percent
1. Outreach		
Yes	163	71
No	35	15
No Experience	16	7
No Response	14	6
		99
2. Verification		
Yes	150	66
No	51	22
No Experience	13	6
No Response	14	6
		100
3. Coupon Issuance		
Yes	142	62
No	59	26
No Experience	19	8
No Response	8	4
		100
4. NPA Recertification		
Yes	106	46
No	52	23
No Experience	39	17
No Response	31	14
		100
5. NPA Certification		
Yes	102	45
No	58	25
No Experience	38	17
No Response	30	13
		100
6. Fair Hearings		
Yes	96	42
No	56	25
No Experience	62	27
No Response	14	6
		100
7. PA Certification		
Yes	84	37
No	74	32
No Experience	47	21
No Response	23	10
		100

	Number	Percent
8. Retroactive Benefits		
Yes	74	32
No	51	22
No Experience	89	39
No Response	14	6
		99
9. Work Registration		
Yes	65	29
No	90	39
No Experience	55	24
No Response	18	8
		100
10. PA Recertification		
Yes	60	26
No	87	38
No Experience	50	22
No Response	31	14
		100

1. Outreach

The Food Stamp Act as amended in 1971 required each State Agency to undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low-income households concerning the availability and benefits of the Food Stamp Program and insure the participation of eligible households.

In late 1974, included in a stipulation and order delivered in the Bennett v. Butz Case, which dealt in part with the outreach provision, was the statement that "there is no basis in voluminous record before this court for any suggestions whatever that the defendants undertook and required effective action to insure the participation of these eligible poor."

As a result of the Court decision, in April, 1975, the Department issued new regulations requiring the states to submit comprehensive outreach plans to the Department of Agriculture by July 1, 1975, for approval and to implement the Department-approved plans by August 1, 1975.

The majority of respondents said in their areas there was either no outreach effort or very little undertaken by the local food stamp office. Most of these respondents said more needed to be done, and several suggested the food stamp offices either contract with local community groups to aid in the outreach effort or make use of volunteers from the groups. Many also asked that the existing laws be enforced and that the local food stamp office be required to undertake outreach.

2. Verification

In accordance with Department regulations all income sources and mandatory deductions, which include local State or Federal income tax, Social Security taxes, mandatory retirement payments and mandatory union dues, must be verified. Although the regulations do not provide that expenses must be verified by receipts, most local food stamp offices do require some proof of deductible expenses.

Many respondents said that too much documentation was required for verifications of income and deductions. Some said that low-income employed applicants were frequently paid in cash and, therefore, did not have pay stubs, making income verification difficult. Others mentioned that applicants often did not get receipts for bills paid. The other most oft-mentioned verification problem was the lack of information applicants had about what type of documentation they had to provide the food stamp office. Because they were not told what receipts were required for the initial certification interview, they usually had to return at a later date with their documentation; thus increasing the time required to complete the certification process. The coordinator of a neighborhood group said "An outreach program could explain process of proof needed to apply. People generally have to make more than one trip to qualify." Suggestions included using a standard or optional standard deduction, self-certification (with documentation provided after certification), use of telephone documentation by the food stamp worker, and more flexibility on the part of the workers in the amount of verification required.

3. Coupon Issuance

After certification, the recipient receives an ATP (Authorization-to-Purchase) card. This card enables the recipient to purchase food stamps from food stamp issuance offices, which can be food stamp offices, banks, credit unions, post offices, or other organizations contracted with by the States to sell food stamps.

According to respondents, most of the difficulties with regard to coupon issuance centered around the lack of actual issuance offices (some areas only had one issuance point), and the limited hours many of these offices operated. In some localities respondents said issuance offices were open only a few days a month for selling food stamps. Several people mentioned public assistance checks were frequently mailed at a different time of the month than ATP cards, and in some localities issuance offices were open only a few days a month for selling food stamps. At times, recipients were not able to purchase their stamps because by the time they received their ATP card, the issuance centers were closed for the rest of the month.

4. NPA Recertification

The major problem areas here included complicated and confusing food stamp forms, the lack of evening hours for working recipients, and short certification periods. In addition, a number of people commented on extensive backlogs in the food stamp offices, resulting in what was regarded to be unacceptable delays in certification for qualified applicants. A few respondents said the food stamp office did not notify recipients of the need to reapply for food stamp assistance at the end of the applicant's certification period.

Recommended were more trained staff for food stamp offices, evening hours, and longer certification periods, especially for the elderly and those with stable incomes.

5. NPA Certification

The problems with this procedure were similar to those given for NPA Recertification. Most frequently mentioned were long delays in the certification process, too few food stamp workers, the lack of evening hours for the working poor, and complicated and confusing forms and procedures. Suggestions included increasing the number of better trained food stamp workers, opening the food stamp office some evenings and/or Saturdays, and simplifying the forms and procedures.

6. Fair Hearings

Present Department regulations state that each agency shall provide any household aggrieved by any action of the state agency or state issuing agency a fair hearing before the

agency or with an evidentiary hearing at the local level with a right to appeal for an agency hearing. Prompt, definitive, and final administrative action must be taken within 60 days of the request for a hearing. In addition, the food stamp office is required to inform the applicant orally, if practicable, of the right to a fair hearing and a statement of this right is included on the food stamp application form which the applicant must complete and sign.

Many of the people citing the fair hearing process as a problem for applicants and recipients said the food stamp office did not inform the applicant or recipient of this right. A number of people also said the food stamp workers try to discourage the client from pursuing a hearing when the client requests one. Respondents asked that the existing fair hearing regulations be enforced.

The 60 days allowed for administrative action in the fair hearing process was regarded by many to be too long. The staff attorney of a rural legal services organization commented, "The sixty day waiting period is absurd. If a mistake is made people must go without a nutritionally adequate diet. I see no excuse for not requiring a decision within 15 days given the severity of the deprivation experienced by a harmed applicant."

In addition, a few people who had attended fair hearings as advocates said they felt the fair hearing officers were biased, and they suggested the use of impartial hearing officers.

7. Public Assistance Certification

According to Department requirements public assistance recipients are automatically eligible for food stamp benefits, and when they apply for public assistance they are to be given an affidavit informing them of this fact. They then may apply for food stamps if they wish.

Many respondents said public assistance recipients were not given the affidavit or informed of their automatic eligibility. These people asked that the current regulations be enforced. Other problems cited were long and complicated forms and long waiting periods for completion of the certification process. A county coordinator of a CAP agency commented that "the purchase price is based on a public assistance grant which takes 45-60 days to process. The result is the family has an ATP (Authorization-to-Purchase) card for food stamps with no money to purchase stamps." Recommended was coordination of welfare and food stamp procedures, and simplification of forms and procedures.

8. Retroactive Benefits

Under present Department regulations benefits lost by the food stamp recipient because of State administrative errors must be repaid retroactively through appropriate downward adjustments in future purchase prices.

Many of those who commented on this benefit said it was difficult to obtain retroactive benefits because, like the fair hearing process, food stamp recipients were not informed of their right to apply for these benefits. An information coordinator for a citizen's coalition on hunger said "Retroactive benefits are awarded only grudgingly and if there is some insistence on the part of recipients or, more likely, some advocate for the recipient who understands the regulations."

Long waits to receive retroactive benefits was another problem cited by a number of respondents. A legal assistant with a legal aid bureau commented that "the process of authorizing benefits takes two months to put into effect, prolonging the hardship that already exists."

Respondents asked for clear guidelines and for enforcement of current regulations.

. Work Registration

Currently food stamp regulations require that able-bodied persons between the ages of 18 and 65 (with certain exceptions) who are not employed at least 30 hours a week or attending school at least half of the time must register for and accept suitable employment. The recipient registers for work at the food stamp office, and the registration is forwarded to the local employment service office. Those registered must cooperate with the Employment Service, and the Employment Service, in turn, must report to the food stamp office regarding any action taken, such as employment secured or refused by the recipient. There are certain standards of suitability, including payment of the minimum wage, which must be met by any job offered to the recipient. Refusal to register for work or to accept suitable employment renders the household ineligible for food stamps for one year.

Of those who commented on the work registration requirement, several said that they viewed it as ineffective since there were no jobs available. The Director of a Community Action Agency Food and Nutrition group said "In my opinion, this is a token procedure, because a good percentage of the time the Employment Service Office is unable to find jobs."

Others felt that food stamp recipients over age 50 or 60 should not have to register for work. Additional problems mentioned were long commuting distances, particularly in rural areas, to employment offices and confusing rules which needed clarification.

10. Public Assistance Recertification

Often mentioned as a problem for this group were too frequen recertifications. Respondents felt that certification periods for public assistance recipients should be for 6-12 month periods. Also cited was the lack of coordination between the public assistance redetermination dates and food stamp recertification dates. Many respondents recommended that redetermination and recertification take place at the same time.

V. The Variable Purchase Option

The Variable Purchase Option permits households to purchase three-quarters, one-half, or one-quarter of their total monthly coupon allotment. The community groups were asked if the offer of the VPO should be mandatory, State option, or prohibited. The responses to this question are shown below.

	Number	Percent
Mandatory	193	85
State Option	4	2
Prohibited	5	2
No Response	26	11

The overwhelming majority of community groups said the States should be required to offer the variable purchase option. A typical comment, made by a legal services group representative, was, "There are times and situations when Food Stamp households cannot find the amount of money needed to purchase a month's supply of food stamps all at one time. All people have ongoing expenses, and it is unrealistic to think that anyone can afford

to spend 20-30 percent of their income on anything, all at once, and especially at the beginning of the month when a lot of bills come due." A few respondents commented that some recipients don't need a full allotment since they eat their major meal at a nutrition center, and that others, such as some vegetarians or people who buy natural foods, also might not need their full allotment.

Many respondents were concerned that if given the choice, the States would not offer the VPO. A casework supervisor of a public welfare coalition group stated: "This is usually decided not in favor of the client, but what will make the easiest bookkeeping for the State. Obviously a fixed purchase based on family size, regardless of whether or not they will use them will be the policy. Service to the recipient should be the determining factor."

Those who felt that the VPO should be either a State option or should be prohibited said people tend to skip on food that is vitally needed; and that the money should all be spent on food.

VI. Special Groups

The local community organizations were asked which groups in their area had special problems in applying for and being certified for food stamps. Ten groups were listed and respondents were asked to check each one yes, no, or no experience.

The four groups identified most frequently as having special problems were the elderly, the disabled, the low-income employed and the unemployed. The table below indicates the responses for all ten groups.

	Number	Percent
1. Elderly		
Yes	183	80%
No	25	11
No Experience	15	7
No Response	5	2
2. Disabled		
Yes	164	72%
No	41	18
No Experience	20	9
No Response	3	1
3. Low-Income Unemployed		
Yes	148	65%
No	46	20
No Experience	24	11
No Response	10	4
4. Unemployed		
Yes	128	56%
No	68	30
No Experience	23	10
No Response	9	4
5. Students		
Yes	67	29%
No	53	23
No Experience	98	43
No Response	10	4

	Number	Percent
6. Migrant Farmworkers		
Yes	65	29%
No	28	12
No Experience	120	53
No Response	15	7
7. Strikers		
Yes	43	19%
No	43	19
No Experience	131	57
No Response	11	5
8. Aliens		
Yes	44	19%
No	35	15
No Experience	146	64
No Response	3	1
9. Indians		
Yes	23	10%
No	32	14
No Experience	159	70
No Response	14	6
10. Military		
Yes	15	7
No	34	15
No Experience	162	71
No Response	17	7

1. Elderly

Three major areas were cited most often as causing problems for this group. One, lack of transportation, was perceived to be a major obstacle limiting participation. The point was frequently made that in rural and suburban areas mass transportation was non-existent, while in urban areas, it was expensive, inconvenient, and sometimes dangerous. Thus, the elderly either had to rely on volunteer organizations or had to hire someone to drive them to the Food Stamp office. The solutions most usually offered were home visits by certification workers and the use of authorized representatives.

Second, the welfare stigma attached to food stamp recipients was also considered by many to deter participation by the elderly. The director of a Senior Citizens Center said "The elderly are very proud of their contributions to the American Way. They don't want to stand now in 'welfare lines' even though they desperately need the extra food." Many of those who considered this a problem suggested that the food stamp office be located someplace other

than in the local welfare office.

Third, the long, complicated forms, were regarded to be particularly difficult for the elderly to understand. Numerous respondents recommended simplified forms and procedures. Other factors mentioned as limiting participation were long waits for appointments and interviews, the small bonus many elderly households receive, ineffective or nonexistent outreach for this group, and restrictive resource and asset limitations.

2. Disabled

Respondents considered transportation to be a major obstacle limiting participation by the disabled. Recommendations for solving this problem included abolishing the requirement for face-to-face interviews and providing funds for additional workers to be hired to make home visits.

The long waits in food stamp offices were seen as a deterrant to participation because of the physical impairments most disabled have. Two other related problems were one, physical barriers such as crowded conditions and the lack of elevators to food stamp offices not located on the ground floor, and two, complicated forms and procedures, which were particularly difficult for those with mental disabilities to comprehend. Recommendations included preliminary application procedures be made by mail or telephone, convenient satellite certification offices be established, home visits be made by certification workers, and, outreach workers be provided to fill out applications in the applicant's home.

3. Low-Income Employed

The most frequently cited problem for this group among those who commented was inconvenient hours of operation for the food stamp office. Respondents said applicants either lost food stamp benefits or hours on the job because the food stamp office was only open during weekdays. Recommended solutions included evening and weekend service by the food stamp office and use of mail applications.

Verification of income and expenses were cited as problems by an equal number of people. According to respondents, verification of expenses caused difficulties because frequently low-income employed households do not obtain receipts for services and do not have bank accounts. In addition, problems arose in verifying income because many receive their wages in cash and therefore do not have pay stubs. Some people recommended using a standard deduction, while others suggested an optional standard deduction to eliminate the need for verification of expenses. Still others thought there should be more flexibility in program rules governing the need for receipts.

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The inability of low-income households to accumulate enough cash to buy into the program was another obstacle mentioned by many respondents. Elimination of the purchase price was the solution most offered. Untrained food stamp workers, the welfare stigma, small bonus amounts, and long lines were additional factors given as limiting participation.

4. Unemployed

A frequently mentioned problem for this group was the delay in receipt of food stamp benefits because the applicant had not received confirmation of unemployment benefits. Tied to this was the inability of the unemployed to accumulate the necessary cash to purchase the stamps. Recommended solutions were elimination of the purchase price and more frequent use of emergency or zero purchase price issuance.

Also ineffective or nonexistent outreach, assets that cannot be disposed of easily, and long lines were cited as problems effecting this group.

5. Students

The negative attitude of food stamp workers as well as the public toward student participation was seen as the main deterrant. Other problems cited were delays in certification caused by the tax dependency requirement, and the difficulties in determining household status.

As the responses to this question show, over 50% of the respondents did not have experience with migrant farm workers, aliens, strikers, Indians, and the military.

6. Migrant Farmworkers

Of those who had experience with this group, a large majority said migrant farmworkers experienced problems in applying for and being certified for food stamps.

Those who commented regarded the language barrier and the lack of bilingual personnel in food stamp offices to be a major obstacle limiting migrant participation. Most recommended that the food stamp office hire bilingual personnel and establish a working relationship with migrant interest groups.

Another problem frequently cited for this group was the difficulty in verifying their income and their addresses. A services coordinator for a farm migrant program said, "Seasonal farm migrant clients are not people who keep records and many times can't get work records as they had worked for cash. They are mainly nonresidents of the county or State and go hungry while the paperwork is being processed and the information is gathered."

Other problems mentioned as being encountered by migrant farmworkers were their inability to meet the pruchase price, lack of emergency certification procedures, and inadequate transportation facilities. A project coordinator in nutrition recommended that "since the migrant stream comes at specific times of the year, local food stamp offices could ease the certification, recertification process by advance planning. Migrants continue to be an invisible section of the community to assistance agencies."

7. Aliens

Respondents who had experience with this group found that the language barrier and the lack of bilingual personnel in the food stamp office deterred participation. Since aliens were unable to communicate, they could not understand the forms and procedures. Many people suggested the food stamp office hire bilingual personnel and have forms available in foreign languages. A director of a welfare rights organization said, "All (ethnic) groups should be represented by food stamp workers. Even the uneducated or under-educated. Workers tend to forget that all people may not understand the terms, words and general explanations that are used. Those who do not understand and thus misuse the program or the program misuses them, are sometimes charged with fraud. Many pretend to understand when they actually do not."

8. Strikers

Community groups who had worked with strikers said the main problem was the negative attitude of food stamp workers and the general public which deterred participation. Some people mentioned it was frequently difficult to verify a striker's income. Others said that there was a lack of effective outreach directed at this group.

9. Indians

Cultural barriers, the welfare stigma, transportation, and the lack of effective otureach were obstacles viewed as limiting participation among eligible Indians by those who had experience with this group.

It was recommended that outreach workers familiar with the culture visit the Indian communities to assist in certification.

10. Military

Only two people commented on the military. They both said a problem existed for the military because of the fact that eligibility was based on total family income; however, since the serviceman did not always send his wife her allotment, she did not have access to the family's total income. They recommended eligibility be based on the wife's actual proven income.

VII. Application Problems

The local groups were asked which problems, if any, people had in applying for food stamps in their areas. Nine areas were listed and respondents were asked to check each one yes or no. The table below shows the responses to this question.

	Number	Percent
1. Transportation to Food Stamp Offices		
Yes	187	82%
No	30	13%
No Response	11	5%
2. Inadequate Number of Certification Centers		
Yes	174	76%
No	44	19%
No Response	10	4%
3. Insufficient Staffing		
Yes	169	74%
No	36	16%
No Response	23	10%
4. Inconvenient Hours of Operation		
Yes	161	71%
No	59	26%
No Response	8	4%
5. Long Wait for Appointments		
Yes	152	67%
No	61	27%
No Response	15	7%
6. Long Lines	149	65%
Yes	62	27%
No	17	7%
No Response		
7. Rude Behavior		
Yes	148	65%
No	61	27%
No Response	19	8%
8. Eligibility Workers have Insufficient Training		
Yes	120	53%
No	85	37%
No Response	23	1%
9. No Bilingual Personnel		
Yes	70	31%
No	114	50%
No Response	44	19%

1. Transportation

Transportation problems varied according to geographic area. That is, in urban areas the most frequently mentioned obstacles to participation were no parking, particularly in downtown areas; and mass transportation, which many regarded as unreliable or expensive. In rural locations the primary concerns were lack of public transportation and long driving distances. (One group mentioned that some applicants had to travel 40 miles to the nearest food stamp office. Recommendations for both urban and rural areas included providing

mobile and satellite centers, using the mails, using authorized representatives, and reimbursing clients for travel costs.

2, 3, and 4. Inadequate Number of Food Stamp Centers, Long Waits For Appointments, and Inadequate Staffing

These three problems were considered to be directly related to one another. Many respondents said that the long waits for appointments were a result of insufficient staffing and an inadequate number of food stamp offices. It should be noted that some respondents said their local food stamp office did not make appointments. Thus, applicants had to line up at the office at 5 or 6 a.m., and/or had to return another day to try again.

One respondent said that last year there were nine eligibility workers in his local food stamp office and presently there are two. His organization handles one out of three cases because the food stamp office has such a backlog.

Recommendations for solving these three problems included: providing satellite and mobile units; setting minimum standards for adequate staffing; allowing outreach workers to participate in the actual certification, waiving the requirement for face-to-face interviews, and allowing for transfer of staff within a State to areas of need for the duration of that need.

5. Inconvenient Hours of Operation

Many groups reported that food stamp offices had no weekend or evening hours, making it particularly difficult for the low-income employed to apply and to be recertified once they were accepted into the program.

An additional problem mentioned by some was that the food stamp office closed for the lunch hour. The suggestion here was to stagger lunch hours.

In addition, inconvenient hours of operation were regarded as one of the factors causing long lines. One person suggested a 24-hour food stamp assistance program be initiated, depending on the percentage of eligibles and recipients. He, as well as many others, suggested the food stamp office make use of community group personnel.

6. Long Lines

Many groups said long lines were a result of insufficient staffing, inadequate number of offices, and inconvenient hours or operation.

Recommendations included providing satellite and mobile offices,

using community group workers to assist in certification, and hiring more trained staff.

7. Rude Behavior

Respondents had two views on this problem. There were those who said such behavior by food stamp workers stemmed from an "incredible caseload." This problem was described by one person as being "in part a function of poor training, in part a function of high caseloads for too few staff." Onec again, most people suggested hiring more adequately trained staff. Other saw rude behavior as negative or racist attitudes against the poor and minorities. One person suggested that food stamp workers be closely screened before employment for attitudes that might hinder services. Many suggested workers receive sensitivity training so they would be better able to understand the problems of the poor. Others recommended that minorities and the poor be hired and trained to work in food stamp offices.

8. Eligibility Workers have Insufficient Training

This problem was usually considered to be a result of the heavy caseloads food stamp offices have. One respondent said he was told by a food stamp supervisor that in his office "a training class was never completed because of emergencies." Another person said that "training is short, many times our agency learns about new policies before the workers do."

In-depth training was the recommended solution.

9. No Bilingual Personnel

Those who viewed this as a problem were generally from large metropolitan areas or from agricultural areas with migrant farm worker populations.

Recommended solutions were for food stamp offices to hire bilingual personnel and/or to make use of such personnel which could be provided by community groups.

VIII. Issuance Problems

Presently food stamps are issued through the local welfare office or through an issuance agency such as a bank or a credit union which has a contract with the local welfare office.

Community groups were asked what problems food stamp recipients had in purchasing food stamps at issuance centers. Seven areas were listed and respondents were asked to check each one yes or no. Following are the responses to this question.

1. Inconvenient Hours of Operation		
Yes	149	65%
No	55	24%
No Response	24	11%
2. Inconvenient Locations		
Yes	124	54%
No	74	32%
No Response	30	13%
3. Long Lines		
Yes	118	52%
No	77	34%
No Response	33	14%
4. Rude Behavior		
Yes	92	40%
No	101	44%
No Response	35	15%
5. No Bilingual Personnel		
Yes	52	23%
No	125	55%
No Response	51	22%
6. No Changemaking		
Yes	36	16%
No	130	57%
No Response	62	27%
7. Issuance Centers Withdraw Service when Caseload Heavy		
Yes	29	13%
No	132	58%
No Response	67	29%

1, 2, and 3. Inconvenient Hours of Operation, Inconvenient Locations, and Long Lines

A majority of respondents cited three main problem areas--inconvenient hours of operation, long lines, and too few issuance offices. Most suggested not only longer hours but also Saturday issuance for working recipients. Also recommended were more issuance offices to reduce travel time and long lines. In addition, many people asked for mail issuance, which presently can be instituted at the option of the State.

4. Rude Behavior

Almost half of those who responded said rude behavior on the part of issuing agency personnel was a problem. Many groups suggested issuance agents offer human relations training, hire workers from low-income groups, and provide better supervision of their employees.

5. No Bilingual Personnel

Those who regarded the lack of bilingual personnel as a problem recommended issuance offices hire bilingual staff.

6. No Changemaking

It was apparent from the explanations of the difficulties caused by no changemaking that this question was misunderstood. The intent of this inquiry was to determine whether issuance offices required recipients to have the exact purchase price in order to buy their food stamps. Most who commented interpreted the

question as referring to the USDA regulation prohibiting grocery stores from giving food stamp users change. Many suggested that grocers be permitted to give change rather than credit slips.

7. Issuance Centers Withdraw Service when Caseload Heavy

Suggestions to reduce the impact of issuance cetners withdrawing their service when the food stamp caseload increased included using mail issuance and establishing more issuing offices.

IX. Outreach Experience and Techniques

In order to ascertain what experience community groups had with food stamp outreach, the groups were asked to briefly describe how they became involved in outreach efforts.

Of the 228 questionnaires returned, 46 did not respond to this question, 11 groups said they did not do any outreach (two of these commented that they were advocates trying to get the State to observe the food stamp regulations pertaining to outreach) and 4 said they had been requested by their local Department of Social Services to do outreach.

Of the remaining 167, a little more than half were groups who either were advocates aiding potential eligibles to gain entrance to government funded programs designed to help them, or were organizaitons providing such services as emergency food assistance, health care, and information or nutrition education. These outreach efforts seemed to take the direction of informing people of the availability of the food stamp program when the client approached the organization for aid with other basic needs. In addition, a few said they became involved when the transfer began in their community from food commodity distribution to food stamps and a number mentioned that funding they received under Emergency Food and Medical Service grants allowed them to assist applicants with the food stamp purchase price and their outreach efforts derived from this service.

An Executive Director of a Community Action Council said, "As part of our overall community organization work, our resident workers inform potential recipients about the Food Stamp program and assist them in applying for stamps. The acting director of a legal assistance group said in her state her organization "monitors the food stamp program as part of a program to ensure that residents have access to all nutrition programs available." The field director of a Christian Family Service organization commented, "We are serving handicapped people and their families. Most of these are very indigent. Food is a major item;" and a representative of a poverty rights office said, "We are an advocacy office dealing with problems of poor people. Hunger is, therefore, one of our main concerns. We

have been involved with food stamps since the inception of the program."

The remaining groups said that they became involved in outreach because they felt there was a need for it in their communities. Generally these respondents had organized or were in the process of organizing outreach campaigns in their local areas.

The director of a community ministry volunteer program commented that "people unable to get appointments for interviews ran out of food and turned to churches. Since the churches were unable to provide food on a continuing basis, we decided to help make the process more efficient. We preferred to work with the existing government programs to get people their stamps." A committee member of a county assistance program said, "Hunger is a very definite problem in our county. People come to our doors with complaints of no food, of no money to get food stamps and when these families were investigated, the complaints were substantiated. When no amount of explanation to the food stamp office would suffice, we started looking more deeply into the food stamp area and found many areas that need changing." The staff attorney of a legal services group said, "We train people in the food stamp program and give advice on how to do local outreach campaigns because the State is failing its responsibility."

In a related question, groups were asked if they were familiar with several outreach techniques and if they judged these techniques to be effective or ineffective.

There were six techniques listed: (1) information distributed at grocers; (2) information distributed to community groups; (3) door-to-door campaigns; (4) press releases; (5) TV and/or radio spots; (6) telephone campaigns (hot line). Respondents were asked to check each technique yes, no, or no experience.

Table I is a summary of the responses of all community groups to this Outreach question, while Table II, relating to effectiveness and ineffectiveness, is a summary of responses from those having experience with the six outreach techniques.

Most respondents were familiar with three outreach techniques--information distributed to community groups, press releases, and television and radio spots. Fewer had experience with information distributed at grocers, door-to-door campaigns and telephone hot lines.

Those who had experience with information distributed to community groups thought it was most effective. A coordinator of a food stamp outreach program said this technique was effective "if not simply a matter of distributing pamphlets. We mean here informational meetings where someone with good acquaintance with the program can answer questions."

Groups who were familiar with press releases as an outreach technique were evenly divided as to whether this was effective. Some felt that the releases contained superficial information and often caused confusion. A few people mentioned it was ineffective because the poor frequently could not afford newspapers. Some also said illiteracy among the needy was a problem.

Community groups had less experience with door-to-door campaigns and telephone hot lines. Those who did have such experience rated these techniques very effective. A food stamp coordinator in a community action agency said of door-to-door campaigns, "They are extremely effective in low-income areas. It is, in fact, just about the only truly effective means of outreach in the intense poverty pockets." With respect to telephone hot lines, the coordinating center director of a community volunteer program commented that "hot lines do encourage people to apply. However, hotlines must be linked with an organization which will actually make the appointment, which actually provides the services offered."

Television and radio spots were considered to be highly effective also. Those who had experience with the technique generally felt that if the information persented was thoroughly explained, it reached many who were potentially eligible.

Information distributed at grocers was not considered to be especially effective. It should be noted that a large number of groups did not have experience with this technique.

OUTREACH, TABLE I

SUMMARY OF RESPONSES

	Number	Percent
1. Information Distributed at Grocers		
Effective	57	25%
Ineffective	52	23%
No Experience	92	40%
No Response	27	12%
2. Information Distributed by Community Groups		
Effective	140	61%
Ineffective	33	14%
No Experience	29	13%
No Response	26	11%
3. Door-to-door Campaigns		
Effective	68	30%
Ineffective	28	12%
No Experience	96	42%
No Response	36	16%
4. Press Releases		
Effective	82	36%
Ineffective	63	28%
No Experience	45	20%
No Response	38	17%
5. TV or Radio Spots		
Effective	96	42%
Ineffective	39	17%
No Experience	57	25%
No Response	36	16%
6. Telephone Campaigns		
Effective	47	21%
Ineffective	26	11%
No Experience	120	53%
No Response	35	15%

OUTREACH, TABLE II

EFFECTIVENESS

		Number	Percent
1.	Information Distributed to Community Groups		
	Effective	140	81%
	Ineffective	33	19%
		173	
2.	TV and Radio Spots		
	Effective	96	71%
	Ineffective	39	29%
		135	
3.	Door-to-Door Campaigns		
	Effective	68	71%
	Ineffective	28	29%
		96	
4.	Telephone Hotline		
	Effective	47	64%
	Ineffective	26	36%
		73	
5.	Press Releases		
	Effective	82	57%
	Ineffective	63	43%
		145	
6.	Information Distributed at Grocers		
	Effective	57	52%
	Ineffective	52	48%
		109	

X. Most Serious Problems

Community groups were asked to identify up to five of what they considered to be the most serious problems in the food stamp program, to list them in order from most to less serious, and to briefly elaborate on the specified problem.

The response rate to this question was very high: 89% of questionnaire respondents listed at least one most serious problem.

The community workers' responses were analyzed and categorized as to the area of concern and the type of problem associated with it. The following ranking was then obtained by assigning a weighted value to the number of times a problem was mentioned at each of the five levels. In brackets are the total number of times each problem was indicated, regardless of ordinal level.

1. Purchase requirement: clients unable to afford/hinders participation too high for some. [76].

2. Outreach: inadequate or nonexistent/potential eligibles remain uninformed. [60].

3. Certification complexity: too much red-tape in the process/ forms and program requirements too complicated/burdensome and time-consuming for applicants. [56]

4. Eligibility Workers: rude and insensitive toward recipients/ insufficient training and inadequate familiarization with program regulations. [64]

5. Certification delays: long waiting period between initial contact (or application) and being certified (or receiving authorization to purchase stamps)/long lines. [44]

6. Transportation: unavailable or difficult for many households/ limits access to certification and/or issuance centers. [44]

7. Lack of staff: insufficient staffing levels to keep up with caseload and complex program requirements. [38]

8. Access to Certification offices: insufficient number of offices/ inconvenient locations/ limited hours of operation. [40]

9. Coupon allotment: inadequate nutritionally/insufficient purchasing power for the entire month. [36]

10. Elderly: special problems such as mobility/tend to benefit least from the program as currently structured. [28]

The most serious problems as viewed by community groups reflect their concern with the difficulties confronted by needy households in gaining access to food stamp services and benefits. Households (some or most) were perceived as having difficulties in getting to the certification and issuance centers [problems 6, 8], in negotiating the complex certification process with its delays red-tape, and unhelpful eligibility workers [3,4,5], and in paying for the stamps to which they are entitled [1]. Other potential eligibles were said to lack access to the program due to lack of outreach [2], and the elderly were said to experience special difficulties in gaining access to program benefits [10]. In addition, the coupon allotments were said to be inadequate in providing access to a nutritionally adequate diet [9].

Some elaboration follows on the ten most serious problems listed. It should be noted that "community groups" as used here means "community groups who described this aspect of the program as a major problem."

Purchase Requirement -- Community groups incidated that some or many low-income households were unable to afford the purchase requirement -- i.e., were unable to pay for their food stamps. Some respondents emphasized that their clients could afford part, but not all, of their full allotment, or that recipients may not be able to meet the purchase price during months of special financial stress. Said a child nutrition project coordinator: "[The] purchase requirement constitutes a barrier to participation both without and within the program. Provision for variable purchase and semi-monthly issuance both testify to the difficulties created by this requirement, as does the drop-off in every State between the number of ATP's issued and the number cashed." Said a family service consultant: "People with low incomes often have financial crises. It is inhumane to deny them the bonus because of their inability to pay the purchase requirement. Also this is an unnecessary addition to administrative expenses." Commented a Manpower program worker: "The purchase price is so high for many of the working poor that it is not worth the loss of self-respect, time, and hassle to receive [food stamps]."

Outreach -- Inadequate or nonexistent outreach efforts were cited by community groups. A number of potential eligibles were said to remain uninformed about the program as a result. The director of a community action agency claimed: "At present the only active outreach in [our city] is being conducted by community based agencies." A community action council coordinator urged: "In a land of abundance people should not go hungry, and if there is a Federal program to help people with food purchases, every opportunity should be taken to tell people about the program." The acting director or a legal assistance project said that his State "has defied Federal regulations since August, 1975, by allowing the outreach coordinator position to go unfilled."

Certification Complexity -- Community groups criticized certification "red-tape," citing complex and time-consuming forms and procedures, burdensome verification requirements, and multiple visits to the certification office. An attorney with a legal services food and nutrition project said: "Too much red tape in the application process discourages eligible households from applying. Verification procedures should be simplified." Stated a legal task force director: "In its attempt to make eligible only those persons who are genuinely needy, the Department of Agriculture, in writing its regulations, has made the program so complex that few persons understand it."

Eligibility Workers -- Insufficient training, inadequate familiarization with program regulations, and rude behavior toward recipients on the part of eligibility workers was cited. A worker in a poverty rights office charged: "Clients are denied or pay too much money for stamps because of worker's lack of concern, attention, or training." Stated the director of a community ministry program: "Certifiers who treat people in an uncaring manner are a most serious problem. Often rudeness becomes an attitude which is reflected in the first question. Some certifiers do not tell the applicant all the available information, or why it is necessary to ask certain questions."

Certification Delays -- Referred to here were all the delays which may occur in the process of applying for food stamps. Cited were long lines at the certification office, long waits for the initial interview, and the total length of time it takes from the initial contact or application to being certified or receiving the authorization to purchase card. Some commented that the currently allowed 30-day processing time is too long, while some others indicated that in their locality, processing took longer than 30 days. A community council director listed the "waiting period for the client in the district [food stamp] office" and explained "The reason we rated this number one is the feedback we get from the client when they come to us." Said a nutrition task force director: "Food stamp applicants walk into the door of the food stamp office when they need food stamps, not 30 days before they need them."

Transportation -- Community groups indicated that inadequate transportation to certification and/or issuance centers caused hardships and made difficult access to needed food stamp services. Some cited outlying (suburban or rural) areas in particular. Typical was this comment from a county opportunity council coordinator: "60% of the population lives outside the city where the Welfare Office is located. No public transportation from rural to city area. Large elderly population without private transportation."

Lack of Staff -- Insufficient staffing levels to keep up with the caseload and to cope with complex program requirements were frequently mentioned. Some implicated staff shortages in other program failings. Said one community group supervisor: "The [State] department does not provide adequate personnel to conduct the food stamp program in a humane and effective manner. This appears to be a matter of policy determination and setting of improper priorities."

Access to Certification Offices -- Community groups spoke to a need for more local certification offices, including mobile or satellite units if necessary, and for more flexible hours of operation -- specifically evenings and weekend hours. Respondents related the problem of access to food stamp offices to transportation problems, to the problems of rural recipients, and to the problems of the elderly and the working poor. (Difficulties in access to issuance offices, due to inadequate locations and limited hours of operation, were also mentioned by a number of community respondents.)

Coupon Allotment -- Present coupon allotment levels were criticized as inadequate nutritionally. Respondents discussed their dissatisfaction with regard to the purchasing power provided by the monthly allotments and with regard to the thrifty food plan upon which it is based. Some cited those with special medical and dietary needs as inadequately served. The director of an agency on the aging said: "The economy food plan is extremely low. The thrifty food plan certainly isn't any better....the higher cost of diabetic food needs to be taken into consideration."

Elderly -- Myriad problems faced especially by low-income elderly households were cited. Most frequently mentioned was their difficulty in getting to the food stamp office, particularly when multiple visits were required. Others pointed to the restricting effect of income and assets standards on participation by the elderly, which were said to result in too high a purchase price and too low a bonus for them. This group's disdain of the "welfare stigma" was also seen as limiting their participation. A community resource coordinator recommended: "The net food stamp income level should be raised for those senior citizens on a fixed income. This is the class of people who need the most help and benefit the least from the program."

XI. Most Satisfactory Aspects

Similar to the previous question, community groups were asked to identify up to five most satisfactory aspects of the program. The response rate to this question was lower than that to the previous question, indicating that community workers more readily identified serious problems than satisfactory aspects of the program. At least one satisfactory aspect of the program was listed by 68% of the respondents.

Responses were analyzed, weighted, and ranked in the same manner as the previous question. As can be noted from the bracketed figures, many of even these most frequently mentioned satisfactory aspects were mentioned by only a small number of community workers.

1. Food and Nutrition Benefits: better food selection, better diet, better nutrition/increased food purchasing power/stamps used only for food. [101]

2. Aid to non-public assistance households, the working poor, those temporarily in need, and the recently unemployed. [24]

3. General Federal Policy: original legislative intent and nationwide implementation with national standards. [21]

4. Itemized Deductions: best reflect household's financial situation. [19]

5. Better than Commodities: more freedom of selection and more satisfactory for recipients. [17]

6. Economic and Agricultural Benefits: stimulates local economy/ increased domestic consumption of food products. [23]

7. Emergency (Zero Purchase) Certification: important service to needy households. [15]

8. Outreach: working well, or mandated expansion commencing. [18]

9. Basis of Issuance Standards: benefits relative to household size and income/equitable. [12]

10. Retailers: many stores readily accept stamps. [13]

The most satisfactory aspects of the program as viewed by community groups concern the benefits provided to recipients and the social policy implicit in or attributed to the program. The first, second, third, fifth, and sixth most frequently mentioned

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satisfactory aspects are of this type. Respondents felt that despite the many problems with the program, aid was being provided to at least assist needy households in obtaining a nutritionally adequate diet.

A not infrequent response to this question was a general remark along the lines of "At least the program exists" or "It's better than nothing," indicating a rather begrudged satisfaction with the program. One respondent, the president of a welfare rights organization, explained his reluctance to answer this question by stating: "If we could find five satisfactory aspects about the program, we would not have filed suit." But another perspective was given by a Vista supervisor who observed that at his community action agency, "we do not hear the good things. It is when participants have problems that they come to us for assistance. If and when things go well, we are never contacted."

Some elaboration follows on the ten most satisfactory aspects listed. It should be noted that "community groups" as used here means "community groups who described this aspect of the program as satisfactory."

Food and Nutrition Benefits -- Mentioned by nearly two-thirds of those who responded to this question, the food and nutrition benefits provided to recipients by the Food Stamp program was viewed as its most satisfactory aspect. Community groups observed that recipients obtain a more varied food selection, a more adequate diet, and better nutrition with food stamp assistance. Some spoke in terms of increased food purchasing power, and some referred specifically to the fact that stamps can only be used to purchase food. Typical were these comments: "Provides 'bonus' amount of money for food use, and therefore increases the spending power of the poor. Money cannot be used for non-edibles, which is good." "This has been the only resource many persons have had to be able to eke out unemployment benefits and to continue feeding their families." "More food-better food-better health." Even though a few may find ways to avoid it, food stamps are spent for food, therefore making diets more adequate."

Aid to Non-Public Assistance Households, the Working Poor, Those Temporarily in Need, and the Recently Unemployed -- Respondents saw the Food Stamp program as perhaps the only type of aid available to these types of households, i.e., those not necessarily below the poverty line but having difficulty making ends meet. These responses tended to emphasize the income supplement provided to such families. Some referred to the maintenance of these type households' self-respect with food stamps, as opposed to welfare. Said the executive director of an urban ministry: "The sliding

scale permits a person to work and earn income and still find assistance possible. This takes pressure off the person, allows him to keep some pride, and actually encourages him to do better for himself." Observed a legal services food stamp specialist: "Income and resources eligibility limits allow households of low to moderate income to participate during periods of unemployment and temporary financial difficulty."

General Federal Policy -- Community groups applauded the original legislative intent of the Food Stamp Act -- to provide low income households the opportunity to purchase a nutritionally adequate diet, and they approved of the program's nationwide implementation with national standards of eligibility. The director of a nutrition legal task force stated: "Federal legislation requires that the Food Stamp program provide a means by which a low income family can purchase an adequate diet. The present coupon allotment is not high enough to accomplish this. However, the legislative intent is good."

Itemized Deductions -- Community groups felt that the current system of allowing itemized deductions best reflected household circumstances, because the net income after deductions represented the money actually available for purchase of food. Said the assistant director of a community services administration group: "The individual computations deducting actual child care costs, medical costs, etc., seems to me to be the fairest way to treat everyone equally."

Better than Commodities.-- In comparison with the now phased-out commodities program, community groups indicated that food stamps allowed recipients greater food selection and the satisfaction of shopping in the place of their choice.

Economic and Agricultural Benefits -- Respondents observed that the infusion of Federal food stamp "bonus" dollars stimulate their local economy through the multiplier effect of households' increased food purchasing power channeled through local retailers. A community nutrition advocate called the program "A spur to the local economy" and said "Last year $254,870 was alloted in bonus value to [our] county residents. This money is spent and taxed at the local level, which puts more money into the local economy. Community groups also noted that food stamps allowed for increased consumption of American farm products by our own citizens.

Emergency (Zero Purchase) Certification -- The availability of quick emergency certification for those households whose income places them at the zero purchase level was considered an important service to needy households. A paralegal worker said it "prevented destitution for many of my clients."

Outreach -- Community groups noted that in their area expanded outreach was commencing, or that outreach was being successfully carried out by food stamp offices or community groups.

Basis of Issuance Standards -- Respondents found that food stamp basis of issuance standards, as determined by household size and income, were equitable and allowed for participation at the household's level of financial ability and nutritional need.

Retailers -- The multitude and variety of retail food outlets readily accepting food stamps was mentioned as one of the more successful facets of the program.

* * * * * * * * * *

APPENDIX VI

Rationale for Criteria for Food Stamps, Aid to Dependent Children, and Supplemental Security Income

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JOHN R. KRAMER,
SPECIAL COUNSEL

L. T. EASLEY,
PRESS ASSISTANT

December 5, 1975

Dear Mr. Staats:

As part of the study into the Food Stamp Program being made by the House Committee on Agriculture, it has become apparent that significant differences exist in certain aspects of various public assistance programs. The rationale for those differences is often not apparent. In considering possible legislative changes to the Food Stamp Program, it would be most helpful to know how various Food Stamp legislative and administrative requirements differ from other assistance programs so that proposed Food Stamp legislation can be considered in the context of its relationship to similar programs.

There may not be reason at all for some of the current differences. These ought to be identified so they can be dealt with expeditiously. Others, however, may reflect fundamental differences in program objectives. These need to be identified and the choices and implications made explicit.

I am, therefore, requesting the General Accounting Office to identify existing differences among the Food Stamp, Aid to Families with Dependent Children, and the Supplemental Security Income Programs, in connection with:

1. The application process.

2. The treatment of income.

3. The treatment of resources.

4. The length of certification periods, and

5. Work registration.

Once identified, reasons, if any, for the differences should be determined. Effort should then be made to sort out those that could be

corrected within existing law and policy. The implications of such changes would then be considered, including advantages and disadvantages.

These issues have been preliminarily discussed between Committee staff and representatives of your office. It has been agreed that our respective staffs will maintain close communication in carrying out this request. Also, any adjustments to the scope of the work will be made as needed and mutually agreed on.

To be of use to the Committee for planned hearings, this information is needed by the end of February, 1976. I suggest that an oral briefing be provided by that date to be followed by a written report. Because of the tight timeframe to develop this data, and the fact that the General Accounting Office will be providing only factual data without conclusions or recommendations, formal comments are not to be obtained from the agencies involved.

With kindest regards,

Sincerely,

Thomas S. Foley
Chairman

Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office Building
Washington, D.C. 20458

TSF:jsa

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

RECEIVED HOUSE AGRICULTURE COMMITTEE
DEC 22 1975

A-51604

December 18, 1975

The Honorable Thomas S. Foley
Chairman, Committee on Agriculture
House of Representatives

Dear Mr. Chairman:

We have received your letter of December 5, 1975, concerning differences that exist in certain aspects of various public assistance programs. This matter has been referred to our Manpower and Welfare Division.

If they have any questions concerning your request, or will not be able to develop the data requested in the near future, you or your staff will be contacted.

Sincerely yours,

Peter J. McGough

Peter J. McGough
Legislative Adviser
Office of Congressional
Relations

RECEIVED HOUSE AGRICULTURE COMMITTEE
MAY 1 1 1976

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

A-51604

MAY 11 1976

The Honorable Thomas S. Foley, Chairman
Committee on Agriculture
House of Representatives

Dear Mr. Chairman:

In your letter of December 5, 1975, you requested that the General Accounting Office identify differences in five aspects of the Food Stamp, Aid to Families with Dependent Children (AFDC), and Supplemental Security Income (SSI) programs. You also requested that we determine the reasons for any significant differences identified.

We met on several occasions with members of the Committee staff to brief them on information being developed and to ensure that we were concentrating our efforts on the areas of greatest interest to the Committee. In March 1976, the Committee staff advised us that they needed the results of our work in time to be used for consideration of a proposed bill to amend the Food Stamp Act. As a result, on April 20, 1976, we delivered to the Committee 200 copies of a Statement of Facts in lieu of a formal report. The Statement of Facts contains a detailed discussion on the following aspects of the Food Stamp, AFDC, and SSI programs:

--verification actions associated with the application process,

--treatment of income in determining eligibility for and amount of benefits received,

--treatment of certain resources in determining eligibility,

--issues regarding eligibility redeterminations or recertifications, and

--work registration.

Also, schedules comparing the requirements of the law and regulations for the Food Stamp, AFDC, and SSI programs were included for the last four of the above cited program aspects.

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A-51604

The information included in the Statement of Facts was obtained from reviewing appropriate laws and their legislative histories, regulations, and agency documents. Also, we interviewed various program officials to determine the rationale for various regulations.

Subsequent to our providing the 200 copies to the Committee, it was agreed by the Committee staff that we could make distribution of copies of the Statement of Facts to anyone requesting it.

We trust that the information provided will be useful to the Committee.

Sincerely yours,

Deputy Comptroller General
of the United States

STATEMENT OF FACTS ON THE RATIONALE OF CRITERIA FOR THE FOOD STAMP, AID TO FAMILIES WITH DEPENDENT CHILDREN, AND SUPPLEMENTAL SECURITY INCOME PROGRAMS

APRIL 1976

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INTRODUCTION

This statement of facts deals with a comparison of the Food Stamp Program with the Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI) Programs in the following five areas of program administration:

(1) Application process-verifying application information as specified in the Federal regulations;

(2) Treatment of income - various aspects of income all relating to how an income figure is computed for purposes of determining program eligibility and levels of benefits;

(3) Treatment of resources - methods used to value resources and what resources are considered when determining program eligibility;

(4) Length of certification periods - explanations of the difference between redeterminations and recertifications and the processes, appeals procedures, and time periods used for each; and

(5) Work registration - who must register for work, what other actions they must take and what percentage of work registration program participants became employed.

This statement of facts is based on a review of reports, agency regulations, and policy statements, and on statements made by program officials when written statements were not available to explain the rationale for agency regulations.

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The following pages show what legislation and regulations pertain to each of the five areas of program administration and, when possible, the Congressional or departmental intent behind them. Also included are comparison schedules which show the similarities and differences in the legislation and regulations discussed.

APPLICATION PROCESS

VERIFYING APPLICATION INFORMATION AS SPECIFIED IN THE FEDERAL REGULATIONS

Food Stamp Program

Not all information reported on the application form must be verified. However, Food and Nutrition Service (FNS) regulations (FNS regulation 271.4(a)(2)(iii)) require that, at a minimum, a household's gross non-exempt income and mandatory payroll deductions must be verified. Verification of income is required, not only because such procedures preserve the integrity of the food stamp program, but because income is the primary factor that determines eligibility and the amount of "bonus" stamps a household will receive.[1] Verification of other items affecting eligibility, such as resources, most income deductions, household size, and proof of residency, is not required but may be done if the information provided by the applicant is suspect, unclear, incomplete, or inconsistent.

Sources of verification include documentary evidence, home visits, and secondary contacts to confirm applicant statements. Applicants are primarily responsible for furnishing documents sufficient for verification, or at least information from which the verification may be made by the caseworker.

According to Food and Nutrition Service officials, administrative ease and the Department of Health, Education, and Welfare's movement in 1971 toward "self-declaration" for AFDC applicants were factors in not requiring more extensive verification. However, as a practical matter, State quality control reviews are probably encouraging more extensive verification by local welfare offices in order for them to reduce program errors.

It is possible to certify a household's food stamp eligibility pending verification when the household's income is so low that the household has no purchase requirement and would receive food stamps free

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[1] The "bonus" is the difference between the face value of food stamps and their purchase price.

and the caseworker determines that the household is in need of immediate food assistance. This certification may be made only if the results of the interview indicate that the household will probably be eligible when full verification has been completed and a minimum of one secondary contact such as a telephone call to an employer or local bank has been made. In these instances, the period of certification shall not exceed 1 month, and a household may not be certified in this manner more than once during any 6-month period.

AFDC Program

The section of the Federal regulations which deals most specifically with verification of information on an Aid to Families with Dependent Children (AFDC) program application for benefits is (45 CFR 206). This section of the regulations provides that "each decision regarding eligibility or ineligibility will be supported by facts in the applicant's or recipient's case record, but it does not enumerate specific items on the AFDC application which must be verified. The cited regulations specify that the State agency must verify that a case record contains the necessary social security numbers (SSN).

The social security numbers are used to verify the identity of individuals. If a case record did not contain SSN's and if a State had in existence and operating before January 1, 1975, a system of welfare records for which disclosure of SSN's was required by statute or regulation, then the individuals were required to obtain SSN's. If no system was in existence prior to January 1, 1975, then furnishing SSN's was voluntary through August 1, 1975. After August 1, 1975, all individuals were required to furnish SSN's. The State agencies are required to also obtain and verify evidence required to establish the age, citizenship or alien status, and true identity of each applicant.

There are, in addition to Part 206, other parts of the regulations which imply that verification of information must be achieved during the

eligibility determination process. If a child's eligibility for AFDC is based on a parent's incapacity (45 CFR 233.90(c)(1)(iv)) provides that if a parent claims to be incapacitated, the incapacity "shall be supported" by competent medical testimony. The regulations provide in (45 CFR 233.90(c)(1)(vi)) that a child who claims to be a student must be "certified by the school or institute attended" as being enrolled in and physically attending a program of study or training leading to a certificate, diploma, or degree. These requirements can be construed as being forms of verification.

An HEW official indicated that in the establishment of the eligibility determination procedures there was a deliberate attempt by the Department of Health, Education, and Welfare (HEW) to permit each State to specify in their State plans for public assistance the exact information on an AFDC application that must be verified. HEW interpreted verification in its Public Assistance Handbook by stating that a State plan for AFDC is required to provide that the verification of circumstances pertaining to eligibility is to be limited to what is reasonably necessary to ensure the legality of expenditures under the program. It can be inferred from this that the information which will be verified on an application will vary depending upon each individual State's interpretation of this requirement.

The quality control program can act as an incentive to States to adequately verify information on AFDC applications. Results of past quality control reviews have indicated that many of the errors which are found during these reviews often result from poor verification procedures. The States' knowledge of the results of quality control reviews may have some effect on the amount of verification which they perform.

SSI Program

The verification requirements in the SSI application process are defined in Public Law 92-603, dated October 30, 1972. The law requires that eligibility for benefits will not be determined solely on the basis of declarations by the applicant and that relevant information will be verified from independent or collateral sources.

No Federal regulations have been published regarding SSI's verification requirements. However, SSA has developed instructions concerning the verification requirements which are contained in a claims manual. This manual requires that claimants and recipients must provide SSA with detailed information to permit verification, development, and decisions on each factor of eligibility. The claimant's responsibility is to answer questions raised by SSA to the best of his or her knowledge, to report changes to answers previously given, to submit evidence, and to undertake activities (such as signing necessary releases or requests to third parties and sources of evidence) that are critical to claims and report processing. The claims manual also gives a detailed explanation of the verification and development requirements for each eligibility factor. For example, the claims manual requires the amount in a passbook savings account be developed by documenting the name and address of the financial institution, the account number, the name(s) on the account and the amount in the account. The current balance of the savings account is verified by examining the passbook and photocopying the pages which show activity in the last 60 days. If the passbook shows deposit and withdrawal activity inconsistent with the individual's stated financial situation, the activity in the account must be developed fully to establish

his source of income. If the passbook is not available or appears to have been materially altered, verification is obtained by contacting the institution after securing the individual's authorization.

TREATMENT OF INCOME IN DETERMINING ELIGIBILITY FOR AND AMOUNT OF BENEFITS TO BE RECEIVED

UNDERLYING CONCEPT UPON WHICH ITEMS ARE TO BE INCLUDED OR EXCLUDED FROM INCOME IN DETERMINING ELIGIBILITY AND BENEFITS

Food Stamp Program

Several concepts are involved in deciding whether certain types of income are included or excluded, or whether certain expenses are deducted: inclusion or exclusion by law, ease of administration, work incentives, the availability of the income to a household, benefit equity between households receiving and not receiving public assistance, whether the income is more aptly shown as a resource, and consistency with other welfare programs. For example, in-kind shelter furnished by an employer is included as income in accordance with the Food Stamp Act as amended in 1973, while other in-kind payments such as produce from a garden are excluded from countable income because they are difficult to document and accurately value.

Vendor payments (payments made on behalf of a household to a vendor except for medical costs, e.g. payment made to a utility by a person not residing in the household) are counted as income in an effort to assure that households receiving the benefit of such payments are not given an eligibility or benefit advantage over other households not receiving vendor payments simply because of the method of payment involved. A Federal District Court in California, however, recently barred FNS from including as income, Department of Housing and Urban Development (HUD) financial assistance furnished to households through vendor payments. Pursuant to this court order, FNS in February, 1976, amended its instructions to exclude HUD vendor payments

as income. The Department of Agriculture is currently appealing the Federal District Court decision.

Other types of payments to households, such as irregular income up to $30 quarterly per household, are excluded for ease of administration since these payments are difficult to anticipate. One time lump-sum payments of money from sources such as insurance policies, sale of property, income tax refunds, cash prizes, and inheritances are not considered recurring monthly sources of income to the household and therefore, are also excluded from countable income.

Examples of payments excluded from income by law are payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, income received by volunteers for services performed in the national older Americans volunteer program, assistance received under the special supplemental food program for women, infants, and children, and refunds from the earned income tax credit.

According to a Food and Nutrition Service official, deductions from countable income allowed by FNS regulations stemmed, in general, from the emphasis on adjusted net income as the basis for program eligibility and benefits. For example, this emphasis on the actual availability of income to a household was the reason for the deduction of court ordered support and alimony payments and for the deduction of shelter costs in excess of 30 percent of a household's income after all other deductions are taken. An FNS official also provided the following, additional reasons for specific deductions:

Deductions		Reasons
Ten percent of earned income up to a monthly maximum of $30 per household	--	work incentive provision and consistency with AFDC's "30 and 1/3" earned income deduction
Automatic and mandatory deductions from earned income (Federal, State, and local income taxes, and union dues)	--	work incentive provision and general consistency with AFDC's work expense deduction
Payments for medical expenses (when the monthly costs exceed $10 per household)	--	equity for non-public assistance households with elderly members and equity between non-public assistance and public assistance households since medicaid vendor payments on behalf of public assistance households are excluded from countable income
Child care expenses (when such expenses are necessary for a household member to accept or continue employment)	--	work incentive provision and general consistency with AFDC's work expense deduction
Unusual expenses incurred due to disaster or casualty losses	--	a limited disaster relief provision
Tuition and mandatory fees assessed by educational institutions	--	Deductions for these items are allowed in order to balance the inclusion of scholarships as household income

AFDC Program

The Social Security Act as enacted in 1935 stated that financial assistance was to be provided to needy dependent children but there was no statutory basis as to how need was to be determined. The basic underlying concept establishing the treatment of income in determining need was added to the Social Security Act by the 1939 amendments to the act. The 1939 amendments stated that a State plan must "provide that the State agency shall, in determining need, take into consideration any other income and resources of any child or relative claiming aid to families with dependent children, or of any other individual (living in the same home as such child and relative) whose needs the State determines should be considered in determining the need of the child or relative claiming such aid....." The act was amended "to provide greater assurance that the limited amounts available for (AFDC) assistance in the States will be distributed only among those actually in need and on as equitable basis as possible." This requirement has remained in effect to the present time.

In the early 1960's, the Department of Health, Education, and Welfare began to revise certain program requirements found in its Public Assistance Handbook in order to respond to changed conditions and to correct inequities which had arisen among the States, especially in the area of needs determination. A major revision related to the States counting anticipated income even if the actual payment was never made. An example would be the counting of court-ordered support from absent parents or promised contributions from relatives even though no money was actually received. HEW specified in the amended regulations that only net income available for current use would

be counted. An HEW official indicated that HEW believed that Congress intended public assistance to be paid to meet current cash need, and only currently available income can meet that need. Therefore, only currently available items should be counted.

The Federal regulations on need were revised in the mid-1960's in order to simplify the administration of the program by not counting small, non-recurring amounts of income such as birthday presents or Christmas presents, earnings of children under 14 years of age, and other items of a casual and inconsequential nature. In adopting these regulations, an HEW official pointed out that HEW concluded on the basis of experience, that the staff time and cost far exceeded the income involved, that such income did not realistically become available to meet the families' living needs and that ascertaining and counting such income resulted inevitably in complexity and subjective judgments by agency workers. An HEW official indicated that the legal support for the regulations was based primarily on the State plan requirements for such methods of administration as are found by the Secretary to be necessary for the proper and efficient operation of the plan.

Provisions were added to the Social Security Act by the 1967 amendments, which exempted certain income items from consideration in determining an individual's need. These provisions, referred to as "income disregards" were added to give recipients of AFDC benefits an incentive to go to work. Prior to the inclusion of these provisions, there was no provision in the Social Security Act which would permit States to allow an employed parent or other relative to retain any part of his earnings. The Congress believed

that the income disregard provisions would provide the needed incentive for individuals to become employed and eventually become self-sufficient. (See pp. 24-26.)

SSI Program

The first $20 of income is excluded to give recognition to efforts working people made to provide for themselves in retirement. To encourage people to work and attempt to be self-supporting, the first $65 of earned income plus $1 for each $2 earned in excess of $65 is excluded. To encourage blind and disabled individuals to return to gainful employment, their income is excluded to the extent the income is needed to pursue an approved plan for achieving self-support.

To encourage blind and disabled children to continue their schooling, their income is excluded if earned while they are regularly attending school. Foster care income is excluded to permit a needy individual to continue as a foster parent and provide a home and guidance to a needy child. (See p. 28 .)

DETERMINATION OF THE ASSISTANCE UNIT

Food Stamp Program

According to Food and Nutrition Service officials, the household concept is established in the Food Stamp Act. The use of households rather than individuals was in recognition of the fact that provision for food needs is generally made on a group basis rather than an individual basis. Families purchase and prepare food as a group, not individually, and can therefore take advantage of certain economies of scale. FNS officials indicated that although the Congress originally intended that food stamps be a family

in-home assistance program, a U.S. Supreme Court decision required that the term "related individuals" be dropped from the definition of a household in the act. Therefore, members of a food stamp household need not be related.

AFDC Program

AFDC benefits are available for needy children who are (1) under the age of 18, or under the age of 21 if regularly attending a school, college, or university, or regularly attending a course of vocational or technical training, (2) deprived of parental support by reason of the death, continued absence from the home, or physical or mental incapacity of a parent, or unemployment of a father, and (3) living in the home of his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, niece, or in foster care under certain conditions. AFDC benefits are also available for the parent or other caretaker relative of a dependent child and, in certain situations, the parent's spouse.

Legislative intent behind the determination of the assistance unit can be seen in the following section of congressional debate on the Social Security Act of 1935 (79 Cong. Rec. 9269-1935): "A State will not have to aid every child which it finds to be in need. Obviously, for many States, that would be too large a burden. It may limit aid to children living with their widowed mother, or it can include children without parents living with near relatives. The provisions are not for general relief of poor children but are designed to hold broken families together." The Social Security

amendments of 1956 expanded the list of near relatives to include first cousins, nieces, or nephews so that additional children would have the advantages of life in a home maintained by close relatives.

The standard for determining the degree of connection to a given household a child must have to be considered "living with" a relative is not specified in any of the legislative materials which established the statute. There is no statutory reference to the possibility of temporary absence of the child from that household. Subsequent amendments to the act do not further clarify or amplify the requirement of "living with".

The act provides that the State agencies shall, in determining need, take into consideration any other income or resources.... of any other individual (living in the same house as such child or relative) whose needs the State determines should be considered in determining the need of the child or relative claiming such aid. HEW's Office of General Counsel construed this as permitting States the option of including or excluding the above mentioned essential persons from the assistance unit.

The provision relating to the inclusion of payments of AFDC benefits to the parent or other caretaker relative of a dependent child, and in certain situations, the parent's spouse, was added to the act by the Social Security Amendments of 1950. The purpose of adding this provision was stated as follows: "To correct the present anomalous situation wherein no provision is made for the adult relative and to enable States to make payments that are more nearly adequate, the bill would include the relative with whom the dependent child is living as a recipient for Federal matching purposes." (From H.R. Report No. 1300, August 8, 1950.)

SSI Program

The assistance unit for the SSI program is the individual. Public Law 92-603 specifies that SSI benefits are available for each eligible aged, blind, or disabled individual. As stated in H.R. No. 92-231, Report of the Committee on Ways and Means on H.R. 1 dated May 26, 1971, the term "aged" means an individual who is 65 years of age or older. An individual is considered "disabled" if that individual is unable to engage in any substantial gainful activity because of some physical or mental impairment which can be expected to result in death or has lasted, or is expected to last, for not less than 12 months. An individual is considered to be "blind" if he has visual acuity of 20/200 or less in the better eye with the use of correcting lenses. Also included in this definition is the particular sight limitation known as "tunnel vision."

In discussing provisions relating to assistance for the aged, blind, and disabled, House Report No. 92-231 states that some individuals, because of age, disability, or blindness, are not able to support themselves through work. In some cases, these individuals may receive relatively small amounts of social security benefits on which they have to survive. Contributory social insurance and other sources of income - private pensions, annuities, and other income from assets - are sufficient to keep the total income of the majority of the aged, blind, and disabled from falling below the poverty line. The report states, however, that these sources of income need to be supplemented for some individuals by an effective assistance program administered and financed by the Federal Government. The SSI program was designed to provide an income source for aged, blind, or disabled individuals whose income and resources are below a specified level.

USE OF GROSS vs. NET INCOME
TO DETERMINE ELIGIBILITY

Food Stamp Program

The Food and Nutrition Service's basic policy is to measure the income available to a household to meet living costs--especially food expenses. Differing amounts of households' gross incomes are spent for items such as mandatory payroll deductions, mortgage payments or rent, utility bills, work-related expenses, school tuition, alimony payments, and medical expenses which all limit the households' food purchasing power. According to FNS officials, to use gross income to establish eligibility and determine a household's purchase requirement is to assume the availability of this amount at the food buying level. The result could be a purchase requirement beyond the means of the household. FNS officials therefore, believe that eligibility and purchase requirements based on disposable cash regularly available for food expenditures ameliorate the otherwise adverse effect on participation of the Food Stamp Act's buy-in provision whereby most participants must make a cash outlay to receive stamps.

For administrative ease and because the FNS feels there is no legal requirement to differentiate between applicants and eligibles, the food stamp program uses a "one-step" certification process where adjusted net income determines both eligibility and purchase requirement--as contrasted to AFDC's "two-step" process where gross income less certain mandatory exclusions first determines eligibility, and further adjustments are then made to arrive at the net income on which benefits are based.

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AFDC Program

An individual's gross income is the basis used to determine whether he is eligible to receive AFDC benefits. In the AFDC program gross income means the income which remains after specified income exclusions are eliminated but before income deductions are applied. (See pp. 58-64 for schedule of income exclusions and deductions.) Therefore, in the treatment of income a two-step method is used in (1) determining an individual's eligibility and then, (2) the benefit amount to which he is entitled. In determining an individual's eligibility, various items of income are excluded. A person's eligibility is based on the gross income which remains after the income exclusions are eliminated. After an individual is found to be in need and to be eligible for program benefits, various work related deductions are then applied to the individual's income. The remaining net income figure after the deductions are applied is the figure which is applied to the State's needs standard in determining the amount of benefits to which an individual is entitled.

The language of the Social Security Act is specific in providing for a two-step approach in determining eligibility and then the amount of benefits. In part, the act states that the work related deductions are to be applied "in determining need" of individuals "receiving aid". To qualify for the application of the income disregard provisions, an individual must have already been deemed eligible.

In a general discussion of the bill establishing the income disregard provisions found in House Report No.544, dated August 7, 1967, the intent

behind the establishment of these provisions is seen to be to provide incentives to AFDC recipients to take employment and, in many cases, increase their earnings to the point where they become self-supporting. The purpose of the disregards is to help people already receiving benefits to get off of public assistance and not to help those people who were previously found to be ineligible to get on the assistance rolls.

The congressional intent behind establishing a two-step method was discussed and is clearly evident in the previously cited House Report No. 544 where the inequities of the two-step method were discussed and analyzed. It was pointed out that a family whose income fell below the State's needs standard could apply for AFDC and begin to receive benefits. If after receiving AFDC benefits the family began to receive income in excess of the State's needs standard, they could possibly continue to receive some AFDC assistance by applying income disregards. A family whose gross income was continually above the State's needs standard could not, however, take advantage of the income disregards provision in order to qualify for AFDC assistance. Thus an inequity exists wherein two families receiving equal incomes and having other similar circumstances are treated differently. Although this inequity was considered in framing the legislation, the House Report indicated that the alternative of applying the disregard to determine eligibility would have added many millions of dollars to the cost of the AFDC program.

The Social Security Act provides that if an applicant deliberately reduced his or her income within a specified period of time prior to applying for AFDC, the applicant would not be eligible for the income disregard.

SSI Program

House Report No. 92-231, dated May 26, 1971, (Social Security Amendments of 1971) did not discuss the gross income va. net income concept under the provisions relating to assistance to aged, blind, and disabled. However, the report, in discussing the Family Assistance Plan (FAP) which was intended to replace the AFDC program but was never adopted stated:

> "The bill also makes the earned income exclusion applicable in determining initial eligibility for benefits. This corrects an inequitable situation under present law in which families with the same income and resources are treated differently."

This indicated an intent not to adopt the two-step approach for FAP which was and still is used for the AFDC program. Why the two-step approach was rejected for SSI was not stated in the report.

TIME PERIOD USED TO COMPUTE INCOME
WHEN DETERMINING ELIGIBILITY

Food Stamp Program

A household is certified to receive food stamps for a specified period of time determined primarily by the stability of a household's expected income and other circumstances during this time. The certification periods range from 30 days to 1 year with FNS regulations stating that 3 months shall be the normal certification period.

Eligibility for food stamps is based on the household's needs during the period of certification, usually the current or near future time. The food stamp program uses anticipated or prospective income so that the purchase requirement is appropriate for the income expected to be available to the household during the certification period.

There are no specific guidelines for most situations which would establish a specified period of time for which past income must be considered in estimating future income. The time period used to estimate anticipated income is generally left up to the judgment of the eligibility worker to use whatever information is available to make a reasonable estimate.

To determine the eligibility of many school teachers, the caseworker must, according to FNS instructions, calculate income on an annualized basis. Consequently, a school teacher's gross income from employment under a contract which is renewable annually must be averaged over a 12-month period. The time period of the renewable contract would, therefore, determine the number of prior months which the caseworker must use for calculating gross income.

The use of anticipated or prospective income is a significant factor in State quality control reviews reporting a high number of program errors. Such errors stem, in part, from the difficulty in estimating future income and from households not reporting changes in gross monthly income and total monthly deductable expenses of $25 or more as required by the Federal regulations.

AFDC Program

The Social Security Act does not specify the time period which is to be used to compute income when determining eligibility. HEW, in its regulations, indicated that only income that is actually available for current use on a regular basis will be considered. An HEW official stated that in many cases, applicants for AFDC benefits do not have a regular income. The official said also that in cases where an individual has a regular income, eligibility for AFDC benefits is usually based on anticipated income for the month following the date of application because of the interpretation of the current regulations.

Regulations proposed by the Acting Administrator of the Social and Rehabilitation Service of HEW would require the States to utilize a "prior month budgeting" system. These regulations were published in the Federal Register for comments on August 19, 1975.

The regulations would require that for applicants, the budget period would be the 30 day period prior to the date of application. The payment month would begin no later than 34 days after the end of the corresponding prior month budget period. These regulations were proposed as a reform to further the proper and efficient administration of the States' plans and also to assure that the States were able to devote their resources to providing maximum amounts of assistance to eligible persons.

As of April 1, 1976, the proposed regulations to institute the prior month budgeting system have not been acted on. An explanation of the proposed regulations included in the Federal Register of

August 19, 1975, stated that some applicants for AFDC would have to be enrolled in Emergency Assistance or General Assistance until their income in appropriate budget periods dropped to eligibility levels, resulting in increased costs to the States. It also indicated that the increase would be nominal and would be offset by savings in total AFDC payments. An HEW official stated that many of the negative comments received on the proposed regulations dealt with the increased costs which the States would have had to absorb.

SSI Program

Public Law 92-603 states that the calendar quarter is the time period used for determining eligibility for and amount of SSA benefits. According to House Report 92-231, (see p. 16) benefits are to be based on current income.

SSA counts income in the month in which it is received. The SSI applicant estimates the amount of income anticipated to be received in the quarter of application and the following four calendar quarters. This information is recorded on the initial application. These estimates are used by SSA to compute the amount of SSI benefits due for each calendar quarter. If the application is filed in the second or third month of a calendar quarter, the benefit amount is computed on a monthly basis for that quarter. The SSI recipient is responsible for reporting any change between income actually received and the anticipated income previously reported. SSA recomputes the benefit amount for any calendar quarter in which a reported change occurred. This recomputation may result in either an over or under payment for the month of the quarter in which the change in income occurred.

EFFECT OF WORK INCENTIVE PROVISIONS

Food Stamp Program

The exclusion from countable income of the earnings of a student under 18--FNS regulation 271.3(c)(1)(ii)(a)--is not intended to be a work incentive. Rather, it is an administrative tool to simplify certification of households which contain children who are part-time employees whose income is difficult to document and is usually so small and erratic that it may not affect the household's eligibility or purchase requirement.

The earned income allowance whereby a household can deduct 10 percent of its employment income up to a maximum deduction of $30 monthly--FNS regulation 271.3(c)(1)(iii)(a)--is a work incentive provision and is intended to cover the expenses directly related to employment, such as transportation. FNS said that no data are available to determine if this work incentive provision is effective.

AFDC Program

In applying the work incentive provisions when determining an individual's need and amount of benefits to which he is entitled, the law states that the first $30 of the total of earned income for a month plus one-third of the remainder of income can be disregarded. These disregards are applied uniformly throughout all the States. In discussing the treatment of work related expenses the law says that any expenses reasonably attributable to the earning of income must be taken into consideration.

The Social Security Act and HEW's regulations do not specifically state what is to be counted as a work expense or how much of the expense is to be taken into consideration when determining an individual's need. This results

in each State interpreting the definition of work expenses in different ways and as a result, the treatment of work expenses varies by State.

Ohio, for example, provides for a flat $50 deduction for work expenses for each working member of the assistance unit, unless proof is offered to support a higher amount. This $50 is to cover such expenses as transportation, uniforms, union dues, and miscellaneous deductions as involuntarily withheld income taxes, social security, compulsory retirement, and unemployment and disability contributions.

Pennsylvania allows the actual cost of such personal expenses as transportation expenses and expenses for child care to be deducted from income. Also, the actual payroll deductions made by the employer such as social security, income withholding tax, and wage tax are also deducted from gross income.

Massachusetts allows a standard deduction of $28 per month for a person employed full time for the additional cost of food, clothing, and personal care necessitated by employment. The actual costs of such expenses as taxes withheld, retirement, insurance, transportation, union dues, and special clothing are also deducted from gross income.

California allows work expense deductions for such expenses as involuntarily withheld income taxes, social security and compulsory retirement, and unemployment and disability insurance contributions. Actual cost of child care, additional food, clothing, personal incidentals, union dues, tools, licenses, and transportation which are required for employment are also allowed as deductions.

The total amounts of expenses which can be deducted from gross income in determining a net income figure to be used to determine need varies by

State. As a result of the different treatments of work expenses, an individual's net income figure could be different depending on the State in which he applies. As a result of the different net income figures and different needs standards in the States, the amount of benefits which would be received by an individual would vary depending on the State involved.

Income disregard study

The Social and Rehabilitation Service of the Department of Health, Education, and Welfare contracted with National Analysts, Inc., for a study to measure the impact made by the earnings disregard provision of the Social Security Act upon the work response of AFDC recipients. From 1969 through 1971, National Analysts, Inc., conducted a study which consisted of two series of interviews performed at two different points in time. The conclusions presented in reporting on the study were reached after analyzing the information obtained through the series of interviews.

At the initial interview, a standardized presentation was made to preselected welfare recipients by National Analysts personnel introducing the earnings disregard provision and indicating the amount of welfare and combined earnings plus welfare each recipient would receive at different levels of earnings under the earnings disregard. During the course of the initial interviews a total of 4,147 people were interviewed--639 were male recipients in Camden and Los Angeles and 3,508 were female recipients in Chicago, Columbus, Dallas, Indianapolis, Jersey City, Miami, New York City, Richmond, San Francisco, and St. Louis. A follow-up interview was held approximately 1 year later to determine the extent to which the earnings disregard provision had constituted an incentive toward seeking or securing

employment. Re-interviews were held with 406 of the original males and 2,425 of the original females.

The major findings of the study indicated that the earnings disregard provision had no measurable effect in increasing the work response of female AFDC recipients and little effect on male AFDC recipients. Most of the recipients of both sexes were still (or again) on welfare and unemployed at the time of the second interview.

Although a lack of comprehension and inadequate recall by the people who were reinterviewed were considerations in undermining the effectiveness of the disregard, the major problem did not appear to be one of insufficient publicity for the earnings disregard. For some recipients, increasing the income disregard to above $30 and 1/3 might prove to be an incentive to seek employment. For many recipients, however, the existence of long lasting barriers to employment, such as ill health and child care responsibilities, are likely to prevent even a more liberal provision from having the desired effect.

To assess the impact of the earnings disregard, recipients were asked what type of work related activities they had engaged in because of the disregard provision. The only work related result acknowledged by more than 10% of the respondents was job seeking; about 25% of the men and 13% of the women said they had sought work because of the benefits derived from the earnings disregard. Fewer than half of these people who sought jobs actually obtained a job and virtually none of the respondents said that they had gone off of welfare because of the disregard. A majority of those re-interviewed

(about 80% of the women and 70% of the men) said that they had not engaged in any work-related activities because of the disregard.

SSI Program

In the SSI program, two provisions are provided for in the law to encourage work, (1) the $65 earned income exclusion plus $1 for each $2 earned thereafter, and (2) the exclusion of a blind or disabled person's income needed to pursue an approved plan for achieving self-support. Information was not obtained as to the effectiveness of these provisions. (See p. 13 for rationale behind establishment of work incentive provisions.)

TREATMENT OF CERTAIN RESOURCES IN DETERMINING ELIGIBILITY

METHOD USED IN PLACING A VALUE ON THE HOME IN DETERMINING AN INDIVIDUAL'S TOTAL RESOURCES

Food Stamp Program

The Food Stamp Act as amended provides that criteria for eligibility shall include financial resources, including liquid and non-liquid assets. The Food and Nutrition Service believes that fair market value less encumbrances establishes a more accurate means of determining the amount the household has access to from a particular resource. It is this amount that the household would have to rely on if it were to divest itself of the resource.

AFDC Program

The resources which an individual owns must be evaluated and taken into account when determining whether he is needy and eligible to receive AFDC benefits. The major resource which must be dealt with and evaluated is the home owned by the applicant or recipient.

The current regulations of the Department of Health, Education, and Welfare do not require a uniform method to be used throughout the States in determining the value of an individual's home. The regulations state that resources are to be reasonably evaluated. An HEW official stated that each State, in its plan for AFDC, can set a limit on the maximum value of a home which can be excluded from being counted as part of the total resources owned by an individual. There are no specifications in the HEW regulations currently in effect which indicate what evaluation method must

be used in making the determination. It is up to each State to decide whether it wants to use market value, assessed value, or owners equity. The latest available statistics showed that 3 States used assessed value, 8 States used owners equity, and 3 States and 1 jurisdiction used market value in determining whether a home falls within or exceeds specific maximum limits established in those States. Allowable values for homes in these States range from $2,500 to $25,000. Thirty-nine States or jurisdictions did not place a maximum value on a home which could be excluded, therefore, they did not need to indicate a valuation method to be used.

Revised HEW regulations which were issued on March 19, 1975, contained a provision that real and personal property had to be valued at gross market value including encumbrances. This provision, however, was not put in effect because a restraining order was issued by the United States District Court for the District of Columbia which temporarily prohibited its implementation. The States were instructed to defer implementation of the amended regulations until further notice was provided. Therefore, the States are continuing to use the regulations which were in effect prior to the issuance of the amended regulations.

The restraining order was placed on the provision in the regulations dealing with the treatment of resources (45 CFR 233.20(a)(3)) because various welfare rights organizations felt that the regulation restricted the States' power in determining what resources a needy family should retain. They argued that the regulations required States to apply national standards to resources rather than being able to exercise their own judgment in these matters. Also, these organizations, which represent welfare recipients,

argued that the regulation was arbitrarily and capriciously promulgated as it could not be supported by any factual basis in the administrative record.

On July 31, 1975, the U.S. District Court for the District of Columbia upheld the HEW Secretary's power to require States to consider the fair market value of an item of property without regard to encumbrances in valuing reserves. The Court also ruled that all other specific terms of the challenged amendments to the regulations were reasonable. The plaintiffs then requested the Court to delay the implementation of the regulation until they had a chance to appeal the decision to the United States Court of Appeals for the District of Columbia.

On February 20, 1976, in its opinion on this case No. 75-1754 (National Welfare Rights Organization, et. al, v. F. David Matthews, Secretary of HEW) the United States Court of Appeals stated that since the AFDC program prohibits the counting of income before it is actually received, there must also be a prohibition against valuing property at fair market value plus encumbrances. The Court stated that valuing resources without regard to encumbrances violates the availability principle previously followed by the AFDC program, and it cannot be assumed that because property is available, gross market value (and not equity) is available.

In considering the matter, the United States Court of Appeals for the District of Columbia Circuit concluded on February 20, 1976, that review of the regulations was impossible because support for the decisions made by the Secretary in relation to the treatment of resources could not be found. The Court of Appeals invalidated the amendment thus reversing the lower court decision which had upheld the rule.

SSI Program

Public Law 92-603 allows the exclusion from resources of a home to the extent that its value does not exceed a reasonable amount as determined by the Secretary.

House Report No. 92-231 stated that the provision to exclude a home generally follows State practices permitted under the previous aged, blind, and disabled programs. In discussing the home exclusion provision of the Family Assistance Plan of H.R. 1, the report stated:

> "Since one of the purposes of the bill is to help families take their place as productive members of society, it seems appropriate to avoid disincentives to home ownership. . ."

In providing background for its proposed policy on the reasonable value of an excludable home, SSA arrived at the same conclusion for the SSI program:

> "Basic social policy underlying title XVI is to help individuals minimize dependency and maintain a degree of self-support. In view of the provisions of title XVI relating to vocational rehabilitation, plans for self-support, property essential for self-support, and treatment for drug or alcohol abuse, one of the purposes of title XVI also seems to be helping individuals take their place as productive members of society. Thus, disincentives to home ownership would be inappropriate."

The Secretary's decision was to set a $25,000 value ($35,000 in Alaska and Hawaii) determined by the market value which served as the basis for the latest property tax assessment. Some of the factors considered in arriving at this decision were:

—Because of the substantial variations in home values in different regions and localities, the lower the maximum value allowed, the more inequities that will result for individuals living in higher cost areas.

--Most individuals whose income and resources are low enough to qualify for payments under title XVI will not be able to afford to maintain expensive housing. For this reason, the income and resources limitations in title XVI tend to make the home exclusion provision self-regulating, and the establishment of a maximum permissible home value is unnecessary.

--A limit set too high would present a public relations problem. The public would perceive the high limit as an opportunity for people with substantial resources to be eligible for welfare.

--The 1970 National Center for Social Statistics report shows:

  --About 28 percent of current aged recipients live in their own home,

  --The estimated market value of 99 percent of these homes is under $25,000 (.8 percent over $15,000 but under $25,000),

  --93 percent of homes owned by aged, blind, and disabled recipients have a market value of under $10,000.

  --Projections based on statistics derived from Office of Research and Statistics data and the census samples for 1967 and 1970, indicate that, of the potential aged supplemental security income beneficiaries who own their own homes:

    --48 percent of the homes are valued at $10,000 or less,

    --22 percent, between $10,000 and $15,000,

    --21 percent, between $15,000 and $25,000,

    --9 percent, over $25,000.

Although SSA's recommendation did not include a discussion of the relative merits of the various values (market vs. assessed vs. equity), a SSA report on equity versus market value in measuring resources under the SSI program recommended "That current market value be retained . . . as the measure for valuing resources because of its simplicity in administering the program and its clarity in communicating with the SSI population."

LIMIT ON THE VALUE OF AN AUTOMOBILE THAT CAN BE EXCLUDED FROM AN INDIVIDUAL'S RESOURCES

Food Stamp Program

The Food and Nutrition Service told us that it has not attempted to place a dollar limit on excluded resources, such as a home or car, for administrative reasons. According to the FNS, good information is not available on the current value of excluded resources owned by participating households. The FNS therefore does not know what the impact of various dollar limits would be or what values should be considered reasonable. However, the Department of Agriculture is looking at the limitations used for the supplemental security income (SSI) program to see if these limitations can be adopted for use in the food stamp program.

Other reasons for not having dollar limits on excluded resources are that:

1. the Department did not believe that the Congress originally intended that food stamp recipients be forced to impoverish themselves before being eligible for participation,
2. an incentive to encourage program participation by eligible households was believed necessary, and
3. an effort was made to be generally comparable with proposed family assistance plan guidelines.

The Department has studies underway to determine the current value of excluded resources (including personal effects) owned by participating households. The Senate Agriculture Committee food stamp reform bill (S. 3136) also contains authorization for a similar study.

Exclusion of more than one automobile

FNS regulations exclude one currently licensed vehicle used for household transportation and any other vehicles necessary for the employment of household members. FNS considers the exclusion of vehicles necessary for employment as a work incentive. It considered the exclusion of a vehicle in addition to those needed for employment transportation to be an allowance for a household to have transportation for both employed and unemployed household members.

In many areas, particularly rural ones, a car may be needed not only for employment but also for household errands such as grocery shopping, food stamp purchases, and medical checkups. For administrative reasons, FNS has not attempted to define which areas do or do not support the need for a family car. FNS officials said this policy is currently being reconsidered for possible application of the standards used in the SSI program.

On the basis of a strict interpretation of the regulations, a one-person household would be allowed to have two vehicles excluded from resources if the person proved that one vehicle was needed for employment.

AFDC Program

The treatment of an automobile as a resource varies from State to State. States have the option of specifying in their plans for the AFDC program the

dollar amount of an automobile which is not to be counted in determining the individual's total resources during the eligibility determination process. The HEW regulations, as currently being interpreted, do not indicate a specific maximum limit on the value of an automobile that can be excluded from resources which must be adhered to by all States. The Department gives each State the power to establish its own maximum limits. The latest available statistics showed that 16 States and 3 jurisdictions completely excluded a car from resources without any restrictions as to maximum value or age, 18 States and one jurisdiction had some type of restriction pertaining to the value or age of a car which could be excluded, and 16 States did not provide for the exclusion of any portion of the value of a car.

The aforementioned revised regulations concerning the determination of need and amount of assistance (45 CFR 233.20(a)(3)) issued on March 19, 1975 (see p. 30) also added a provision which stated that an automobile could be excluded from an individual's resources if its retail market value did not exceed $1,200. Any amount in excess of $1,200 would be counted against the individual's resource limit. Implementation of the provision limiting the value of an automobile to $1,200 was delayed because of the previously mentioned restraining order which was placed on this section of the regulations by the District Court.

As a result of the subsequent decision of the United States Court of Appeals (see p. 31) this provision will not be implemented. In its opinion on the case, the Court stated that in considering the challenge to the $1,200 figure as the exemption limit on a necessary automobile, it was not able to

evaluate the reasonableness of this figure. The Court stated that neither the notice of proposed rulemaking nor the Secretary's responses to comments received on the proposed regulations provided any insight into the basis for selecting the $1,200 limit.

SSI Program

In establishing the provision for the exclusion of an automobile from resources, Public Law 92-603 provides that in determining the resources of an individual there shall be excluded household goods, personal effects, and an automobile to the extent that their total value does not exceed such amount as the Secretary determines to be reasonable and other property which is so essential to the means of self-support of such individual as to warrant its exclusion.

House Report 92-231 states further

> "The bill also contains an exclusion of resources essential to an individual's means of self-care of self-support, such as an automobile needed for purpose of employment, the tools of a tradesman, farm machinery, and the inventory of a small business. Your committee believes that if a recipient needs an automobile for necessary transportation,such as to obtain needed medicare treatment, it also should be an excluded resource."

The Secretary set a $1,200 limit on the automobile because at that time the AFDC program had set a $1,200 limit.

Federal regulations specify the $1,200 exclusion and three situations in which an automobile of any value will be totally excluded. An automobile can be totally excluded if (1) it is used for employment, (2) it is used for medical treatment of a specific or regular medical problem of the individual or a member of his household, and (3) it has been modified for operation by or transportation of a handicapped person.

SSA has clarified two of the above situations in which an automobile of any value will be totally excluded: (1) an automobile is considered to be used for employment if it is used for transportation to and from work or as transportation at work or in a trade or business and (2) an automobile is used for medical treatment if it is used on the average of at least four times a year to obtain medical treatment.

LIMIT ON THE AMOUNT OF PERSONAL PROPERTY WHICH CAN BE EXCLUDED FROM RESOURCES AND WHAT CAN BE COUNTED AS PERSONAL PROPERTY

Food Stamp Program

Personal effects are excluded from countable resources and include items such as clothing, jewelry, and collections (coin or stamp, etc.). "Household goods" such as furniture and appliances are also excluded. According to FNS officials, the reason these items are excluded without regard to their value is primarily for administrative ease. In addition, the FNS said there are no data to show that participating households have personal effects of any substantial value. However, the Department of Agriculture is reviewing SSI limitations in this area for possible adoption.

Examples of nonexempt "personal property" (as defined by the FNS) are:

1. boats,
2. aircraft,
3. automobiles, trucks, and motorcycles which are not otherwise exempt due to their use in employment or self-employment or due to the automatic one-car exclusion,
4. trailers and campers which are not used as an actual residence,
5. houses not used as a residence or to produce income,

6. land or livestock not producing income, and

7. golfcarts and snowmobiles.

These personal property items are subject to a total allowable limit of $1,500 ($3,000 for a household with two or more members at least one of whom is 60 or over).

According to FNS officials, the Department of Agriculture's overall approach to income and resources was conditioned by the fact that food stamps were not a "total support" program (like AFDC or SSI). Consequently, the Department had less concern for monitoring and verifying all the income and assets of applicants.

AFDC Program

The HEW regulations dealing with the treatment of personal property as a resource do not provide for a specific limit as to the amount of personal property which can be excluded from the total resources in determining eligibility. The regulations state that the total amount of real and personal property which can be excluded shall not be in excess of $2,000. The home is dealt with separately in the regulations. It can be totally or partially excluded depending on the decision of the State agency.

In its Handbook of Public Assistance Administration, HEW indicated that the reason that separate specific limits were not established for real and personal property was because it was more equitable to be flexible. The Handbook stated that if there were separate limits for real and personal property and one item in either category increased or decreased in value,

eligibility could easily be affected, whereas a minor increase in only one item in either category within the total overall maximum ($2,000) would not affect eligibility as easily. This method eliminates the necessity of frequent openings and closings of cases.

Regulations approved in March 1975, dealing with resources, raise the reserve limit from $2,200 to $2,250 for an AFDC family of up to four persons plus an additional $100 in personal property reserves for each additional eligible person. As indicated earlier (see p. 31) the amended regulations were declared invalid in part because support could not be found to support the reasons why this reserve limit figure was chosen. In commenting on the validity of the regulation, the Court stated that "judicial review is meaningless where the administrative record is insufficient to determine whether the action (taken by the Secretary) is arbitrary and capricious."

An HEW official stated that there is no listing or definition in the Federal regulations which specifies exactly what is to be considered as personal property and personal effects. Another HEW official said that States, in their public assistance manuals are fairly specific as to what they choose to count as personal property and what they choose to exclude from personal property.

SSI Program

Public Law 92-603 permits exclusion of personal property in three categories: household goods, personal effects, and the automobile. The Federal regulations specify that household goods and personal effects are excluded if their total market value is $1,500 or less. As mentioned in the previous section, an automobile is excluded if the value is $1,200 or less.

Household goods are all personal property customarily found in the home and used in connection with the maintenance, use, and occupancy of the premises. Household goods include furniture, furnishings, linens, household applicances, carpets, dishes, television sets, tools, etc.

Personal effects include nonliquid personal property which is worn or carried by the individual or has an intimate relation to him. Some examples are clothing, jewelry, recreational equipment, musical instruments, and hobby items. (One wedding and engagement ring are excluded regardless of their value.)

Household goods and personal effects are assumed to be valued at less than $1,500, if the individual states that he does not own any items of unusual value and there is no evidence to the contrary.

If the individual states he has item(s) of unusual value ($500), the actual current market value must be verified by recent sales or appraisals. Then the current market value of durable household goods and personal effects (i.e., items which have a significant resale value for an extended period of time) must be established. This category includes furniture and major appliances.

The excess over $1,500, if any, for items of unusual value and durable household goods and personal effects, is applied in determining whether the $1,500 (individual) or $2,250 (couple) resource limitation is exceeded.

If the resource limitation is exceeded, the applicant is not eligible for the SSI program. However, if certain conditions are met, the individual may receive a conditional payment while he disposes of the excess resources The conditioned payment is considered an overpayment and is repaid with the proceeds of the disposition of the excess resources.

ISSUES REGARDING ELIGIBILITY REDETERMINATIONS OR RECERTIFICATIONS

ACTIONS TAKEN TO REDETERMINE OR RECERTIFY ELIGIBILITY FOR ASSISTANCE

Food Stamp Program

Individuals are determined to be eligible to receive food stamp benefits for specific periods of time. (See pp. 47-48.) According to the Food and Nutrition Service, entitlement to food stamps does not extend beyond the established certification period. Therefore, at the end of the certification period, the household's eligibility must be reestablished based, at a minimum, on the completion of a new application form and the results of a new interview. Verification of household income is required during the recertification process if the household income has changed substantially or if the source of the income has changed. Verification of other factors of eligibility is required only to the extent that information furnished on the application for the recertification is inconsistent with information furnished previously or if the information furnished is unclear or incomplete. FNS officials said that, since the certification period was predicated on the likelihood of change, recertification enables an objective determination to be made as to whether or not a household should continue receiving its present level of assistance.

AFDC Program

Once applicants have been determined to be needy and eligible for an AFDC assistance grants, they will continue to receive benefits until subsequently found to be ineligible for assistance. Unlike the food stamp program, individuals are not periodically required to reapply as a new applicant for

AFDC assistance. Instead, in order to insure that only needy people continue to receive the limited available AFDC benefits, their eligiblity is periodically redetermined.

Although the Social Security Act does not specify a redetermination procedure to be followed, HEW regulations (45 CFR 206.10) state that each State plan shall require that standards and methods for determination of eligibility shall be consistent with the objectives of the program, and shall respect the rights of individuals under the United States Constitution. Also, HEW regulations specify minimum time periods in which redeterminations must be made but they do not indicate uniform redetermination procedures which are to be followed by every State. Each State, in its State plan, has the responsibility for establishing the redetermination procedures to be followed within the State.

Thus, redetermination procedures vary by State, with some States experimenting with different redetermination methods. Many States require recipients to provide information pertaining to their status as requested by the program official responsible for determining their continued eligibility. California requires AFDC recipients to send in forms once a month indicating any changes to their status. This, in effect, results in a monthly redetermination. In addition to formal redeterminations, status changes for AFDC recipients are often reported by the recipients or discovered by program officials through various contacts made with recipients. Some States are also making an attempt to identify high-risk cases. In cases where circumstances easily affecting eligibility are likely to change frequently, eligibility workers try to highlight them and spend more time reviewing these cases. The eligibility of individuals whose circumstances are more

stable is redetermined less frequently. This allows the eligibility worker to budget his or her time more efficiently and allows more time to be devoted to those cases which warrant more attention.

SSI Program

Redeterminations are conducted to assure that payment is made only to an eligible person and that the amount of the SSI payment is correct. The redetermination consists of a current evaluation of the factors considered in making the prior determination of eligibility and payment amount; e.g. marital status, residence, and living arrangements, earned and unearned income, and resources.

The most desirable method of conducting a redetermiantion is a face-to-face interview. However, an interview is not necessary where there is concurrent entitlement to other SSA programs. When an interview is held a form entitled "Statement for Determining Continuing Eligibility for Supplemental Security Income Payments" is completed and signed by the recipient. In addition, all changes since the initial application or prior redetermination must be documented and verified.

TREATMENT OF AN INDIVIDUAL'S BENEFIT STATUS DURING THE APPEALS PROCESS

Food Stamp Program

FNS officials told us that the use of indefinite certification periods would require notice of adverse action and appeal rights prior to recertification of eligibility and benefits. By setting a definite expiration date, any subsequent recertification action while subject to appeal, takes effect immediately. At the time of initial or any subsequent certification, households must be given written notice of when their certification period expires.

No rationale was provided for the regulation permitting benefit termination or reduction pending an appeal when such action occurs as the result of certification expiration other than the explanation that the regulation is considered to be consistent with program structure and philosophy that food stamp entitlement does not extend beyond the certification period.

AFDC Program

Each State plan is required to provide for a system of hearings in which individuals who are found to be ineligible to receive benefits or who have their benefits reduced or eliminated can appeal the decision. The State agency responsible for the hearings program shall provide for a hearing before the State agency or an evidentiary hearing at the local level with a right of appeal to a State agency hearing.

The HEW regulations (45 CFR 205.10(a)(6)) specify that if a recipient requests a hearing within the timely notice period (within 90 days), assistance shall not be suspended, reduced, discontinued or terminated (but is subject to recovery by the agency if its action is sustained), until a decision is rendered after a hearing. HEW regulations (45 CFR 205.10(a)(1)(ii)) also state that evidentiary hearings must meet due process standards set forth in the U.S. Supreme Court decision made in Goldberg v. Kelly, 397 US 254 (1970).

In the cited Supreme Court decision the Court held that the "termination of aid pending resolution of a controversy over eligibility may deprive an 'eligible' recipient of the very means by which to live while he waits. Since he lacks independent resources, his situation becomes immediately desparate. His need to concentrate upon finding the means for daily subsistence,

in turn, adversely affects his ability to seek redress from the welfare bureaucracy."

The Supreme Court decision also added that "from its founding the Nation's basic commitment has been to foster the dignity and well-being of all persons within its borders. We have come to recognize that forces not within the control of the poor contribute to their poverty ....Welfare, by meeting the basic demands of subsistence, can help bring within the reach of the poor the same opportunities that are available to others to participate meaningfully in the life of the community."

The Court decision specified that the fundamental requisite of due process of law is the opportunity to be heard and that the hearing must be at a meaningful time and in a meaningful manner. The Supreme Court stated that the meaningful time for an AFDC appeals hearing was prior to the termination or reduction of an individual's benefits.

SSI Program

SSA policy in cases where an SSI recipient's payment will be suspended, reduced or terminated is based on the agency's interpretation of the Goldberg v. Kelly case.

District offices are required to send a written notice to an SSI recipient of SSA's intention to suspend, reduce or terminate payments. The recipient is allowed 30 days from the receipt of the notice (35 days from mail date) to send written notice requesting an appeal of the decision. If the recipient responds in 10 days from receipt of notice, the payments will be continued at prior payment level. However, a recipient may wish to waive the right for continuation of prior payment because if the reconsideration is

against the recipient, the recipient will have to pay back any money he was not entitled to recieve. If the recipient waives the right for continuation of prior payments and he is successful on reconsideration, any money due him will be paid.

If the recipient does not respond in 30 days and does not have a good reason for the delay, SSA will not reconsider its decision.

REDETERMINATION AND RECERTIFICATION PERIODS

Food Stamp Program

FNS regulations state that households are to be certified as eligible to receive food stamp benefits for specified periods of time. Food and Nutrition Service officials explained that certification periods are based on the probability that a household will experience a change in program entitlement status. FNS regulations state that non-public assistance households are to be certified for 3 months unless they fall within the following categories. Households in which all members are included in a federally aided public assistance or general assistance grant shall be assigned certification periods which coincide with the period of the assistance grant.

FNS instructions recommend that all public assistance households be certified for program benefits corresponding to public assistance redetermination periods--every 6 months. State agencies and food stamp caseworkers may establish shorter periods when circumstances warrant. Non-public assistance households may be certified for less than 3 months when there is a possibility of frequent changes in income and household status. Households may be certified for up to 6 months if there is little likelihood of changes in income and household status. Households consisting of unemployable persons

with very stable income or whose primary source of income is from self-employment (including self-employed farmers) or regular farm employment with the same employer may be certified for up to 12 months.

The assumption that a non-public assistance household will experience a change in income or status over short time periods is based on the belief that conditions for "welfare" households remain relatively constant over time while conditions for "working poor" households are likely to fluctuate considerably, thereby affecting their basic eligibility for food stamp benefits. The food stamp program is therefore designed and operated with various certification periods. Reapplication for participation is required upon expiration of the certification period in order for a participant to continue receiving benefits.

AFDC Program

HEW regulations (45 CFR 206.10(a)(9)) state that eligibility redeterminations are to be made as often as necessary by the State agency with the minimum redetermination period being every 6 months for AFDC recipients. Redeterminations are required to be made promptly when changes affecting an individual's eligibility status or the amount of assistance to which he is entitled are brought to the attention of the eligibility workers. This implies that redeterminations can be made at any point in time as changes are made known.

The regulations point out that the 6 month time period specified is the minimum period that a State plan must provide for between periodic redeterminations. As indicated previously, some States are experimenting with new redetermination procedures (see pp. 43-44) which result in more frequent redeterminations in some cases. California is soliciting information from AFDC

recipients every month to see if there are any changes in their eligibility status.

SSI Program

Currently, Federal regulations require that redeterminations will be made at intervals not exceeding 12 months and after information is received by SSA regarding a change in eligibility status or payment amount.

According to an SSA memorandum on redeterminations in the SSI program, after SSA has has had an opportunity to study the results of the redetermination effort, it is possible that selected categories of recipients will be identified as not needing a redetermination each year. For example, it may be established that recipients age 72 and over who have not had income in 3 years simply do not require a redetermination each year. Also experience may provide that certain groups of recipients may require regularly scheduled redeterminations more frequently than annually.

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WORK REGISTRATION

INDIVIDUALS REQUIRED TO REGISTER AND ADDITIONAL ACTIONS TO BE TAKEN BY REGISTRANTS

Food Stamp Program

According to Food and Nutrition Service officials, the Department of Agriculture adheres strictly to the language of the Food Stamp Act regarding work registration. In order for a household to remain eligible for food stamps, all able-bodied members of that household between the ages of 18 and 65, except those specifically exempted by the act, such as mothers or other members of the household who have the responsibility of care of dependent children or of incapacitated adults, bonafide students in any accredited school or training program, or persons employed and working at least 30 hours per week, must register for work and accept it if offered. The FNS believes Congressional debate on this section of the act established that all household members, not just the head of the household, were subject to this provision.

FNS regulations state that the mother of a dependent child under the age of 18 is among those not required to register. FNS officials gave the following explanation as to why the term "dependent child" was interpreted to mean a child under 18 years of age. The 1971 food stamp amendments, which first required work registration, did not specify an age definition for dependent children. FNS considers 18 to be a generally accepted age limit for dependency. Unlike the AFDC program, which defines a dependent child as a child under 6, the food stamp program does not have funds appropriated for child care facilities. FNS indicated that such facilities

should be available if a mother with small children over 6 years of age is to be required to register for employment.

Wherever food stamp legislation on work registration is specific, the FNS believes the Department of Agriculture has followed it in writing regulations. For instance, the wage standards set forth in FNS regulation 271.3(d)(3)(i) are those specified in the act. Where the act is not specific, the Department has attempted to fulfill what it considers to be the intent of the Congress that a practical system of work registration be developed.

FNS regulations therefore require that registrants report for an interview at the employment service office, provide additional information as requested, report to an employer when referred, accept a bonafide offer of employment, and continue employment. FNS regulation 271.3(d)(2) provides that a household which fails to comply with these regulations without good cause will remain ineligible for food stamps for 1 year or until such time as the offending member meets these requirements. This regulation, in which FNS elaborates on the language of the law, is considered necessary for enforcement of these provisions.

The work registration reporting procedures were developed in consultation with the Department of Labor. Although the Labor Department is not specifically mentioned in the act, it became involved through the legislative requirement that food stamp recipients must register for employment at a State or Federal employment office. Also, the Labor Department had expertise in this area.

In 1971 after consultation with the Department of Labor, the Department of Agriculture expanded the criteria on job suitability--FNS regulations 271.3(d)(3) through (6)--and added a provision making work incentive program (WIN) registration sufficient for food stamp program purposes. FNS officials told us that this was done to have job suitability criteria consistent with the rules applied by employment service offices to others receiving similar services.

AFDC Program

In order to receive benefits from the Aid to Families with Dependent Children (AFDC) program, all eligible individuals are required by law to register for manpower services, training and employment unless they are specifically exempted. The Work Incentive (WIN) program, which is jointly administered by the Department of Health, Education, and Welfare and the Department of Labor, is used to register all non-exempt eligible individuals and exempt individuals who volunteer. The objective of the work registration requirement is the separation of employable and unemployable AFDC recipients so that efforts to improve employability can be directed to those individuals who can benefit most from them.

After applying for AFDC benefits each non-exempt individual is referred to the appropriate WIN office where the work registration process is accomplished. The needs of any non-exempt applicant or recipient who fails to register as required will not be taken into account in determining the need and amount of the AFDC assistance payment.

The initial legislation of 1967 which established the WIN program stated that each "appropriate" individual over the age of 16 who was

receiving benefits or whose needs were taken into account in determining the assistance grant amount had to register in the program. The legislation did provide for the following exemptions from the registration requirement: 1) people who were ill, incapacitated, or of advanced age, 2) people who lived too far away from a WIN project location, 3) children attending school full time and 4) individuals who had to care for an ill or incapacitated member of the household.

By 1971, problems in the initial legislation became apparent. The major problem centered around the definition of an "appropriate" individual. This definition was left to the State welfare departments to interpret. In some States there was a strict interpretation of the word "appropriate" and, therefore, many people were referred to the WIN program and required to register for work. In other States there was a less strict interpretation of the word "appropriate" and very few people were assigned to WIN. To correct this inconsistent situation, the 1971 amendment to the Social Security Act removed the "appropriate" provision and required "all" AFDC recipients, except those who were specifically excluded by law, to register for work through the WIN program.

The 1971 amendments also made changes to the list of already specified exemptions from the work registration requirement. In addition to the original exemptions the new legislation added the following: (1) mothers or other relatives of a child under the age of 6 who were caring for the child are exempt, and (2) the mother or other female caretaker of a child is excluded if the father or another adult male relative lives in the home and he is not specifically excluded from the work registration requirement. Since the word "appropriate" was eliminated from the legislation

and the word "all" was inserted, the specific exemptions pertaining to caretakers of children had to be added to the legislation. The mother of a child under the age of 6 is given the option of voluntarily registering for work if she so chooses, and the legislation provides for her to be informed of any available child care services if she decides to register in the WIN program.

Regulations contained in (45 CFR 224) specify additional actions which recipients of AFDC benefits are required to take after they have registered at the appropriate WIN office. Registrants are required to attend an appraisal interview. The appraisal interview is held to determine which registrants are most likely to become employed. For those individuals found suitable to participate in the WIN program, an employability plan will be initiated. The employability plan shall specify whatever training and related services are required to prepare the individual for employment and ultimately for self-support. If an individual cannot be immediately placed in unsubsidized employment, he or she shall receive, as deemed necessary, intensive manpower services, on-the-job training, public service employment, or institutional training.

An individual participating in the WIN program is not required to accept any training which does not lie within the scope of an employability plan or any work which is not deemed to be appropriate. The wage offered to a WIN participant must meet or exceed applicable Federal or State minimum wages and the hours of work are not to exceed those customary to the occupation.

The individual does not have to accept a job if it is vacant because of a strike or other labor dispute. There are various other specific

criteria which determine if a proposed job or training program is to be considered appropriate. A WIN participant is required, however, to accept any assignment to employment or WIN training if it meets the defined standards of appropriateness. The failure to accept appropriate employment or training will result in the individual "facing" deregistration from the WIN program. Failure or refusal without good cause to participate in the program will result in not taking that person's needs into account in determining the family's need for assistance. No sanctions are to be applied to any individual who refuses to participate for a period of 60 days after an adverse decision if the individual accepts counseling and other necessary services aimed at persuading him or her to participate in the WIN program.

An AFDC recipient can be provided institutional training under the WIN program for an average period of 6 months, but in no case should the maximum training period exceed 1 year. Participation by an individual in a work experience component should not exceed 13 weeks. Exceptions to the above time period limitations can be made for good cause.

SSI Program

There is no work registration requirement in this program.

PERCENTAGE OF INDIVIDUALS IN WORK REGISTRATION PROGRAM WHO BECOME EMPLOYED

Food Stamp Program

The following definitions and data were obtained from the Department of Labor on food stamp work registrants for fiscal year 1975:

REGISTRANTS--total number of individuals for whom work registration forms were filed at local food stamp offices and who were in the employment service active file for some period during fiscal year 1975. This number includes about 730,000 carry-overs from fiscal year 1974.	2,591,970
JOB PLACEMENTS--total number of individuals placed in jobs during fiscal year 1975.	196,917
TRAINING PLACEMENTS--total number of individuals enrolled in training during fiscal year 1975.	29,161
TOTAL PLACEMENTS IN FISCAL YEAR 1975	226,078
PERCENT OF REGISTRANTS PLACED IN JOBS	7.8
PERCENT OF REGISTRANTS PLACED IN TRAINING	1.1
TOTAL PERCENT OF REGISTRANTS PLACED	8.7

AFDC Program

WIN officials told us that as of fiscal year 1975 there was a cumulative total of over two million people registered for the WIN program including 839,408 new registrations in fiscal year 1975. Of the total registrant universe, 586,060[1/] were actual participants in the work program in fiscal year 1975. (See p. 54.) Of these, 170,641, or about 29 percent obtained jobs for which the employers received no subsidies from any source. Out of the 170,641 job placements, 113,485 were direct placements with individuals not participating in any training or work experience component. There were 52,700 individuals who completely went

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[1/] This figure indicates the number of transactions and not necessarily individuals. An individual can be a participant more than once during the fiscal year.

off of welfare during fiscal year 1975 because of obtaining a job, and 50,616 individuals who reduced their welfare grants because of obtaining employment.

TREATMENT OF INCOME

SUBJECT	FOOD STAMPS	AFDC	SSI
TREATMENT OF INCOME IN THE LAW			
What is Included As Income	Uniform national standards are to be established by the Secretary of Agriculture , which, at a minimum, shall prescribe the amounts of household income to be used as criteria of eligibility, provided that payments in kind received from an employer for housing, not exceeding $25 per month, shall be taken into account.	Any income of any child or relative claiming AFDC or that of any other individual living in the same home whose needs are also considered in making a needs determination is to be counted.	The Social Security Act defines earned and unearned income and gives specific examples of what is to be included and excluded from income. These are repeated again in the regulations, (see that section of the schedule for specific details).
What is Not Included In Income	Same as above.	The Social Security Act lists two mandatory exclusions, two optional exclusions, and four deductions from income. These are repeated again in the regulations, (see that section of the schedule for specific details).	The Social Security Act specifies 12 items to be excluded from income in determining eligibility and amount of benefits. These are repeated again in the regulations, (see that section of the schedule for specific details).
TREATMENT OF INCOME IN THE FEDERAL REGULATIONS			
What is Included As Income	Monthly income means all income which is received or anticipated to be received during the month including: All compensation for services performed as an employee. Net income from self-employment. Payments received as an annuity; pension; retirement or disability benefit; veterans'; workmen's or unemployment compensation; and old age, survivors, or strike benefits.	All income after policies governing the allowable reserve, disregard or setting aside of income have been applied, will be considered in relation to the State's standard of assistance and only net income as is actually available for current use on a regular basis will be considered. (GAO note: Each State, in its State Plan is to specify what items of income are to be included.)	Income means the receipt by an individual of any property or service which he can apply either directly or by sale or conversion, to meeting his basic needs for food, clothing, and shelter including: Wages.[a] Net earnings from self-employment.[a] Unearned income includes but is not limited to annuities; pensions or retirement payments; disability benefits; veterans compensation and pension; workmen's compensation; social security benefits; railroad retirement payments, and unemployment compensation.[a]

Support and alimony payments received by the household.	Support and alimony payments received.[2]
Rents, dividends, interest, royalties, and all other payments from any source whatever which may be construed to be a gain or benefit.	Rents, dividends, interest, royalties.[2]
Value of housing received from an employer as income in kind, not to exceed $25 per month.	Support or maintenance furnished in cash or kind.[2]
The total amount of a roomer's payment to the household.	
The total payment received from each boarder less a deduction for each boarder of the value of the monthly coupon allotment for a one-person household ($50 deduction).	
Payments received from federally aided public assistance programs, general assistance programs, or other assistance programs based on need.	
Payments received from Government-sponsored programs such as Agricultural Stabilization and Conservation Service programs, the WIN program, or Manpower Training Program.	
Payments, except those for medical costs, made on behalf of the household by a person other than a member of the household.	
Cash gifts or awards for support, maintenance, or the expenses of education.	
Scholarships, educational grants (including loans on which repayment is deferred until completion of the recipient's education), fellowships and veteran's educational benefits.	

SUBJECT	FOOD STAMPS	AFDC	SSI
			Prizes and awards.a/
			The proceeds of any life insurance policy to the extent that they exceed the amount expended by the beneficiary for purposes of the insured individual's last illness and burial or $1,500, whichever is less.a/
			Inheritances, gifts.a/
What is Not Included In Income-Exclusions From Income in Determining Eligibility Unless Noted	Income of a child under 18 who is a student.	Earnings of a child under 14. Earned income of a child receiving AFDC who is a full-time student or a part-time student not working full time.a/b/	Student child's earned income - Not to exceed $1,620 per calendar year.a/
	All loans, except loans on which repayment is deferred until completion of the recipients education. Tuition and mandatory fees assessed by educational institutions (No deduction for such items as books, school supplies, meals, etc.).a/	Loans and grants such as scholarships, obtained and used under conditions that preclude their use for current living costs. Any grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the Commissioner of Education under the Higher Education Act.	Tuition and fee portions of grants, scholarships, and fellowships.a/ Grants or loans to undergraduate students for educational purposes which are made or insured under any program administered by the U.S. Commissioner of Education.b/
	Court-ordered support and alimony payments made by the household.a/	An amount not exceeding $20 of the first $50 of the total amounts collected by a State as child support in any months (effective 8/1/75 to 9/30/76).b/	One-third of child support payments made by an absent parent for a disabled child receiving SSI.a/

SUBJECT	FOOD STAMPS	AFDC	SSI
	Ten percent of income from compensation for services performed as an employee or training allowance not to exceed $30 per household per month.[a]	The first $30 plus 1/3 of the remainder of earned income for a month of all individuals whose needs are included in the assistance payment (Not applicable to specified WIN placements).[a][b]	First $240 per year ($60 per quarter) of income earned or unearned, other than income based on need.[a] If blind and less than 65, first $730 per year or ($195 per quarter) of earned income plus 1/2 of the remainder, and expenses attributable to earning income and income needed for self-support.[a] If disabled and not 65, first $780 per year ($195 per quarter) of earned income plus 1/2 of the remainder and amounts needed for self-support.[a] If over 65, first $780 per year ($195 per quarter) plus 1/2 of the remainder.[a]
	Mandatory deductions from earned income which are not elective at the option of the employee (ex-Federal, State, and local income taxes, Social Security taxes under FICA, and union dues).[a] Payments necessary for the care of children or other members of household because of employment or training.[a]	Any expenses reasonably attributable to the earning of income.[a][b]	
		The $30 monthly incentive payment and reimbursement of training related expenses made by the manpower agency to any participant in institutional and work experience training program under the WIN Program.[a][b]	
		The $30 per week work incentive allowance made to trainees under the Comprehensive Employment and Training Act of 1973.[a][c]	The $30 per week work incentive allowance made to trainees under the Comprehensive Employment and Training Act of 1973.[a][c]
	Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.	Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.	Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.[a][c]
	Income received by volunteers for services performed in the National Older Americans Volunteer Program as stipulated in the 1973 amendments to the Older Americans Act of 1965. (In addition, the Department of Agriculture presently excludes from income payments or out-of-pocket expenses reimbursed to ACTION volunteers.)	Payments for supportative services or reimbursements of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs pursuant to Titles II and III of Public Law 93-113.[c]	Payments for supportative services or reimbursements of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior companions, and to persons serving in SCORE, ACE, RSVP, ACV and UYA.[a][c]
		Home produce utilized for household consumption.	Home produce used for personal consumption.[a]

SUBJECT	FOOD STAMPS	AFDC	SSI
	Income of a household in a quarter which is received too infrequently or irregularly to be reasonably anticipated. Provided such infrequent or irregular income of all household members does not exceed $30 in the quarter.		Infrequently or irregularly received income, unearned or earned, if such income does not exceed $60 per quarter of unearned income and $30 per quarter of earned income.[a]
		The value of the coupon allotment under the Food Stamp Act of 1964, as amended, in excess of the amount paid for the coupons.	The value of the coupon allotment under the Food Stamp Act of 1964, as amended in excess of the amount paid for the coupons.[b/c]
	Payments received under the WIC (Women, Infants, and Children) Program (In addition, the Department of Agriculture presently excludes from income benefits from the other Federal food assistance programs).	The value of USDA donated foods.	The value of USDA donated foods.[b/c]
		The value of supplemental food assistance under the Child Nutrition Act of 1966, and the special food service program for children under the National School Lunch Act, as amended.[c]	The value of supplemental food assistance under the Child Nutrition Act of 1966, and the special food service program for children under the National School Lunch Act, as amended.[b/c]
		Per capita payments to or funds held in trust for any individual in satisfaction of a judgment of the Indian Claims Commission or the Court of Claims.[c]	Per capita distribution payments to members of Indian tribes who are due judgment funds, according to a plan of the Secretary of the Interior.[b/c]
		Any per capita judgment funds paid under Public Law 92-254 to the members of the Blackfeet Tribe of the Blackfeet Indian Reservation, Montana, and the Gros Ventre Tribe of the Fort Belknap Reservation, Montana.	Per capita distribution payments by the Blackfeet and Gros Ventre tribal governments to members which resulted from judgment funds to the tribes.[b/c]
		Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended.	Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended.[b]
		Income and resources of individuals receiving SSI benefits for the period during which such benefits are received.[b]	

SUBJECT	FOOD STAMPS	AFDC	SSI
		Any payments to volunteers under Title I (VISTA), who were receiving assistance prior to becoming VISTA volunteers.a/c/ Optional Exclusions Include: The income of an individual allocated as necessary for support of his dependent(s). This support must not exceed the total amount of the needs of the dependent(s) as determined by the agency's Statewide standard. Assistance from other agencies and organizations - No duplication shall exist between assistance provided by other agencies and that provided by the public assistance agency. All or any portion of any family income from any source to be set aside for the future identifiable needs of a dependent child.b/ Any amount not to exceed $5 per month of any income of a person claiming assistance.b/	Any payments to volunteers serving under the ACTION Agency's Volunteers in Service to America (VISTA) program.b/
	Any gain or benefit which is not in money except: Actual value of housing received from an employer by members of a household as income in-kind not to exceed $25 per month. Monies received from insurance settlements, sale of property not related to self-employment, cash prizes, awards, gifts, inheritances, retroactive lump sum social security or railroad retirement pension payments, income tax refunds and similar nonrecurring lump sum payments.		

SUBJECT	FOOD STAMPS	AFDC	SSI
	Payments for medical expenses, exclusive of special diets, when the costs exceed $10 per month per household.[a]		
	Unusual expenses incurred due to a disaster or casualty loss.[a]		
	Shelter costs in excess of 30% of the household income after all other deductions.[a]		
			Return or refund by any public agency of taxes on real property or food.[a]
			Assistance based on need which is paid by any State or political subdivision in supplementation of benefits.[a]
			Foster care payments of a child not an eligible individual but living in same household.[a]
			The value of the reduction in rent which results from the limit of such rental to 25% of adjusted income to people living in public housing, operated by local housing authorities and resulting from HUD's Public Housing-Acquisition and Public Housing-leased programs.[b]
			Value of refunds of 1974 income taxes (or taxes for the first taxable year starting in 1974) based on treating taxpayers as having made payments against their tax by reason of section 6428 of the Internal Revenue Code of 1954, as amended, made by the U.S. Dept. of the Treasury.[b][c]

[a] Itemized deduction from income for household expense to be made after income exclusions are taken into account.

[a] Deduction in determining benefit amounts after eligibility is determined.
[b] Also found in the Social Security Act.
[c] Benefits excluded by Federal statutes in addition to Title IV-A of the Social Security Act.

[a] Also found in the Social Security Act.
[b] Benefits excluded by Federal statutes in addition to Title XVI of the Social Security Act.
[c] Also excluded from resources.

TREATMENT OF RESOURCES

SUMMARY SCHEDULE II

SUBJECT	FOOD STAMPS	AFDC	SSI
TREATMENT OF RESOURCES IN THE LAW			
Maximum Allowable Resources	Not specified--Included in regulations.	Not specified--Included in HEW regulations and State plans.	An individual without a spouse may exclude $1,500 of resources. An individual without an eligible spouse but who is living with a non-eligible spouse may exclude $2,250 of their resources. An individual living with an eligible spouse may exclude a combined total of $2,250 worth of their resources.
Resources Which Are Counted	Uniform national standards are to be established indicating amounts of resources (including both liquid and non-liquid assets) to be used as criteria of eligibility.	Resources of any child or relative claiming AFDC or those of any other individual (living in the same house) whose needs are also considered in making a needs determination are to be counted.	Not specified.
Resources Which Are Excluded	Not specified--Included in regulations.	Resources of individuals receiving SSI benefits are excluded for the period during which such benefits are received.	Home - Within a value established by the Secretary, HEW. Household goods, personal effects, an automobile - Within amounts specified by the Secretary, HEW. Other property essential to the means of self-support - Within limitations established by the Secretary, HEW. Resources of a blind or disabled individual necessary for the achievement of self-support. Stock held in a Regional or Village Corporation by Natives of Alaska during the 20 year period provided by law in which it cannot be transferred or surrendered. Cash surrender value of insurance policy - If face value is $1,500 or less, no part of policy shall be counted.

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SUBJECT	FOOD STAMPS	AFDC	SSI
TREATMENT OF RESOURCES IN FEDERAL REGULATIONS			
Maximum Allowable Resources	The maximum allowable resources for all members of a household shall not exceed $1,500, except in households with 2 or more people where a member or members are 60 or over and then such resources shall not exceed $3,000.	In addition to the home, personal effects, automobile and income producing property which each State agency allows to be excluded, the amount of real and personal property that can be reserved for each individual recipient shall not exceed $2,000.	Same as specified in the law.
Resources Which Are Counted	Cash on hand, in a checking or savings account in a bank or other savings institution. U.S. Savings bonds, stocks, or bonds. Non-liquid resources such as buildings, land, or other real or personal property which are not specifically excluded. Other liquid resources which are readily negotiable and not specifically excluded.	A State plan must provide that all resources after the allowable reserves have been applied must be considered.	Cash on hand, cash in savings accounts or checking accounts. Stocks, bonds, mutual fund shares. Properties, both real and personal that could be converted to cash evaluated according to their current market value. Properties that are in cash or are financial instruments which are convertible to cash. Promissory notes, mortgages.
Resources Which Are Excluded	The home and lot normal to the community. Household goods and personal effects. Payments under Title II of the Uniform Relocation Assistance and Real Properties Acquisition Act of 1970. Indian lands held jointly with the Tribe, or land that can only be sold with the approval of the Bureau of Indian Affairs.	Each State plan must specify the amount of a home which can be excluded from resources. Each State plan must specify the amount of personal effects which can be excluded from resources.	Current market value of a home not to exceed $25,000 ($35,000 in Alaska and Hawaii). $1,500 of household goods and personal effects plus total exclusions for wedding and engagement rings; and goods and effects required because of a physical condition--prosthetic devices, dialysis machines, hospital beds, wheelchairs. Indian lands held jointly with the Tribe, or land that can only be sold with the approval of the Bureau of Indian Affairs.

SUBJECT	FOOD STAMPS	AFDC	SSI
	Payments under the WIC (Women, Infants, and Children) Program.		
	Tools of a tradesman and machinery of a farmer deemed essential to the employment of a household member.		Non-business property which is essential to the means of self-support such as tools, equipment and similar items required by individual's employer.
	One licensed automobile and other vehicles if needed for purposes of employment.	Each State plan must specify the value of an automobile which can be excluded from resources.	One automobile if its current retail market value is $1,200 or less. Auto can be totally excluded if needed for employment, for medical treatment of regular problem of household member, or if modified for a handicapped person. Additional vehicle may be excluded if it is necessary for self-support.
	Cash value of life insurance policies and pension funds.		Cash received from an insurance company for purposes of replacing or repairing an excluded resource. Total cash must be used within 3 months if personal property is involved and 6 months if real property is involved. Also cash surrender value of insurance policy if face value more than $1,500.
	Income producing property which is producing income consistent with its fair market value.	Each State plan must specify the amount of income producing property which can be excluded from resources.	Property of a trade or business which is essential to the means of self-support - Tangible business assets such as land and buildings, equipment and supplies, inventory, cash on hand, accounts receivable.
	Resources whose cash value is not accessible to the household, such as but not limited to, irrevocable trust funds and property in probate.		
			Resources of blind and disabled individuals as stated in the law.
			Stock held by natives of Alaska as stated in the law.

SUBJECT	FOOD STAMPS	AFDC	SSI
		A State plan must specify the amount and types of real and personal property, including liquid assets, that may be reserved, i.e. retained to meet the current and future needs while assistance is received on a continuing basis.	
Method Used to Value Resources	Fair market value less encumbrances.	Not specified.	Current market value unless otherwise noted in the regulations.

LENGTH OF CERTIFICATION PERIODS

SUBJECT	FOOD STAMPS	AFDC	SSI
CERTIFICATION PERIODS AS STATED IN THE LAW			
Time Allowed for Initial Eligibility Determination	Certification of households is to be done in accordance with the general procedures and personnel standards prescribed by the Secretary in the regulations issued to the Food Stamp Act.	No specifications pertaining to time periods for processing applications - Law only states that AFDC is to be furnished with reasonable promptness to all eligible individuals.	No specifications pertaining to time periods for processing applications - Law only states that an application shall be considered to be effective as of the first day of the month in which it was actually filed.
Minimum Frequency of Redeterminations	Not specified.	Not specified.	Eligibility for benefits is to be redetermined at such time or times as may be provided by the Secretary.
CERTIFICATION PERIODS AS STATED IN THE CODE OF FEDERAL REGULATIONS			
Time Allowed for Initial Eligibility Determinations	Applications are to be processed and applicant households are to be notified of the action taken within reasonable State-established time standards which shall not exceed 30 days.	A decision is to be made promptly on applications following reasonable State established time standards but not in excess of 45 days.	Not specified.
Minimum Frequency of Redeterminations	Limited periods of eligibility are to be established. At the end of each certification period eligibility shall be established based upon a newly completed application and an interview, (Verification at time of recertification required only if amount of household income has changed substantially). Households shall be certified for 3 months except as follows: Where all members of a household are included in a public or general assistance grant, certification periods must coincide with the period of the assistance grant.	Redeterminations of eligibility are to be made as follows: When required on the basis of information previously obtained about anticipated changes in an individual's situation. Promptly after a report is obtained which indicates changes in an individual's circumstances. Periodically, within agency-established time standards but not less frequently than every 6 months.	Redeterminations of eligibility are to be made at intervals not exceeding 12 months. A redetermination remains in effect until information is received by the Administration which necessitates another redetermination because of a change in eligibility status or payment amount, or until the next scheduled annual redetermination is effected.

SUBJECT	FOOD STAMPS	AFDC	SSI
	Households may be certified for less than 3 months when there is a possibility of frequent changes in income and household status. Households may be certified for up to 6 months if there is little likelihood of changes in income and household status. Households consisting of unemployable persons with very stable income may be certified up to 12 months; provided other household circumstances are expected to remain stable. Households whose primary source of income is from self-employment or regular farm employment with the same employer may be certified for up to 12 months, provided income can be readily predicted and household circumstances are not likely to change.		

WORK REGISTRATION

SUBJECT	FOOD STAMPS	AFDC	SSI
WORK REGISTRATION AS STATED IN THE LAW			
Individuals who Must Register for Work	A household will not be eligible for Food Stamps if it includes an able-bodied adult person between the ages of 18 and 65 (who is not excluded) who either fails to register for employment or has refused to accept employment or public work.	Every individual, as a condition of eligibility is required to register for manpower services, training, and employment as provided by regulations of the Secretary of Labor, unless such individual is (exempted).	Work Registration is not applicable in the Supplemental Security Income Program.
Exceptions to Work Registration Requirement	Bona fide students in any accredited school or training program.	A child who is under age 16 or attending school full time.	
		A person who is ill, incapacitated, or of advanced age.	
		A person so remote from a work incentive project that his effective participation is precluded.	
	Mothers or other members of the household who have the responsibility of care of dependent children or of incapacitated adults.	A person whose presence in the home is required because of illness or incapacity of another member of the household and a mother of other relative of a child under the age of 6 who is caring for the child.	
		The mother or other female caretaker of a child if the father or another adult male relative is in the home and not excluded ..... unless he has failed to register, or refused without good cause to participate under a work incentive program or accept employment.	
	Persons employed and working at least 30 hours per week.		
	Narcotics addicts or alcoholics who regularly participate as residents or non-residents, in any drug addiction or alcoholic treatment and rehabilitation program.		

SUBJECT	FOOD STAMPS	AFDC	SSI
ther Actions Required to be Taken by Registrants	Not specified.	Not specified.	
WORK REGISTRATION AS STATED IN THE CODE OF FEDERAL REGULATIONS			
Individuals who Must Register for Work	Same as in Law.	Same as in Law.	
Exceptions to Work Registration Requirement	Clarifications to Law found in the regulations are as follows: Students enrolled at least half-time in any school or training program recognized by any Federal, State or local governmental agency. Mothers or other members of the household who have responsibility for the care of dependent children under 18 years of age or of incapacitated adults.	Same as in Law.	
Other Actions Required to be Taken by Registrants	Report for an interview to the State or Federal employment office. Respond to a request from the State or Federal employment office requiring supplemental information regarding employment status or availability for work. Report to an employer to whom he has been referred by such office. Accept a bona fide offer of suitable employment to which he is referred by such office. Continue suitable employment to which referred until the employment is no longer considered suitable, or until the household member becomes exempt from the work requirement, or he is terminated from employment due to circumstances beyond his control.	Attend an appraisal interview. Certified registrants are required to accept assignment to employment or WIN training as determined appropriate by the WIN sponsors or face deregistration. Certified individuals who have failed or refused without good cause to participate in the WIN program cannot be denied AFDC assistance for a period up to 60 days provided that they accept counseling and other services aimed at persuading them to participate in the WIN program.	

APPENDIX VII

Survey of State Administrators

on

Quality Control Process

THOMAS S. FOLEY, WASH.,
CHAIRMAN
W. R. POAGE, TEX.,
VICE CHAIRMAN
E DE LA GARZA, TEX.
JOSEPH P. VIGORITO, PA.
WALTER B. JONES, N.C.
ED JONES, TENN.
JOHN MELCHER, MONT.
DAWSON MATHIS, GA.
BOB BERGLAND, MINN.
GEORGE E. BROWN, JR., CALIF.
DAVID R. BOWEN, MISS.
CHARLES ROSE, N.C.
JERRY LITTON, MO.
JOHN BRECKINRIDGE, KY.
FREDERICK W. RICHMOND, N.Y.
RICHARD NOLAN, MINN.
JAMES WEAVER, OREG.
ALVIN BALDUS, WIS.
JOHN KREBS, CALIF.
TOM HARKIN, IOWA
JACK HIGHTOWER, TEX.
BERKLEY BEDELL, IOWA
MATTHEW F. MC HUGH, N.Y.
GLENN ENGLISH, OKLA.
FLOYD J. FITHIAN, IND.
JOHN W. JENRETTE, JR., S.C.
NORMAN E. D'AMOURS, N.H.
RAY THORNTON, ARK.

U.S. House of Representatives
Committee on Agriculture
Room 1301, Longworth House Office Building
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WILLIAM C. WAMPLER, VA.
RANKING MINORITY MEMBER
KEITH G. SEBELIUS, KANS.
PAUL FINDLEY, ILL.
CHARLES THONE, NEBR.
STEVEN D. SYMMS, IDAHO
JAMES P. JOHNSON, COLO.
EDWARD R. MADIGAN, ILL.
PETER A. PEYSER, N.Y.
MARGARET M. HECKLER, MASS.
JAMES M. JEFFORDS, VT.
RICHARD KELLY, FLA.
CHARLES E. GRASSLEY, IOWA
TOM HAGEDORN, MINN.
W. HENSON MOORE, LA.

FOWLER C. WEST,
STAFF DIRECTOR

ROBERT M. BOR,
HYDE H. MURRAY,
COUNSELS

JOHN R. KRAMER,
SPECIAL COUNSEL

L. T. EASLEY,
PRESS ASSISTANT

December 23, 1975

Dear :

During its food stamp study this year, the House Committee on Agriculture has received a great many of the food stamp survey questionnaires and Quality Control review forms that were requested of state and local welfare administrators throughout the Nation, and it is compiling the data obtained for the Committee's Food Stamp Study Report. I would like to express the Committee's sincere appreciation to you and others in your State who have contributed in this substantial way to our study of the Food Stamp Program.

There are, however, two areas in which we would very much appreciate additional assistance. The first is the Quality Control process. An initial review of the returned questionnaires revealed that about 80 percent of the state level jurisdictions believe the error detection and reporting aspects of Quality Control should be improved. This finding gains in importance especially when viewed in perspective with the Department of Agriculture's most recent report on Quality Control findings covering the July-December, 1974, period and the attendant attention given that report. Also, the validity of the Committee's analysis of Quality Control reviews for the month of April, 1975, depends heavily on the degree to which the Quality Control process yields a meaningful data base on the characteristics of program participants. Roughly one-forth of the returned state questionnaires cited problems in sampling, overall statistical validity or other areas associated with the use of Quality Control reviews. As the States are in a unique position to evaluate these factors, we have prepared the attached supplementary questionnaire to obtain your specific views.

Illegal program abuse is the other area for which additional detailed data and state views would be very helpful. Current national estimates of illegal abuse of the Food

Stamp Program range from "practically nonexistent" to "widespread". The Committee feels that it is critical, in the context of meaningful reform, to present this issue in a true and accurate perspective. To further this effort, we have developed a second questionnaire on which your assistance would be very much appreciated.

In the interest of time and the many other demands facing state and local welfare officials, we have limited both questionnaires to state-level viewpoints. We encourage you, however, to include any other material on state and local views you may desire.

We would be grateful if the attached questionnaires could be completed and returned to the Committee by January 30, 1976, so that we may realize their full benefit in the consideration of major legislation affecting the Food Stamp Program. Please address your returns to:

Mr. David L. Wright
House Committee on Agriculture
1301 Longworth House Office Building
Washington, D.C. 20515

If you have any questions, please contact Mr. Wright directly at telephone number 202-225-2171. Thank you very much for the contribution of your State to this important study.

Sincerely,

Thomas S. Foley
Chairman

TSF:dlw:jc

STATE FOOD STAMP QUALITY CONTROL QUESTIONNAIRE

An important feature of the Committee's food stamp study involves a general investigation of the Quality Control process and the detailed analysis of a sample of state and local Quality Control findings. We would appreciate your state's responses to the questions listed below in order (1) to assist us in making optimum use of the Quality Control reviews for the month of April, 1975; (2) to enhance our perspective with respect to the general value and potential of Quality Control as a mechanism for the identification and correction of Food Stamp program errors; and (3) to obtain your views as to the potential long term use of Quality Control review data to establish a comprehensive data base for the analysis of caseload, cost and recipient characteristics.

Directions-Please respond on the basis of the operation of the program in the geographic area for which you are responsible.

A number of questions provide you the opportunity to explain your answer and to make recommendations for changes. If additional space is needed, please attach additional pages and identify by number the questions being answered. These explanations and recommendations will be given very careful consideration.

Respondent Information

Name:

Title:

Office:

Address:

Telephone:

1. Were all of the project areas in your state included in the universe for Quality Control sample selection for the entire 6-month period ending June 30, 1975? Yes___ No___.

   If "no", please provide the following information:

   a. Total number of project areas not included for the 6-month period ending June 30, 1975_____?

   b. Total number of project areas not included for the month of April 1975_____?

   c. Total nonpublic assistance caseload of the project areas not included, for the months of

      1) April 1975: Persons_____ Households_____.

      2) June 1975: Persons_____ Households_____.

2. Is there a special unit(s) in your state which is/was assigned the responsibility for conducting food stamp Quality Control reviews for the 6-month period ending June 30, 1975? Yes_____ No_____.

   If "yes",

   a. Where is it (are they) organizationally located?

   b. How many full time equivalent positions are/were devoted to food stamp Quality Control reviews for the 6-month period ending June 30, 1975:

      1) State level_____.

      2) Local level_____.

   If "no",

   a. How are/were Quality Control reviews performed in your state for this period:

   b. Approximately how many full time equivalent positions are/were devoted to food stamp Quality Control reviews for this period?

      1) State level_____.

      2) Local level_____.

   c. Please list any other organizational responsibilities normally given Quality Control review staff in your state:

      1) State level:

      2) Local level:

3. Please summarize the minimum qualifications used in your state for the selection of:

   a. Food stamp eligibility (certification) workers:

   b. Food stamp Quality Control reviewers:

4. Please describe any training given in your state for:

   a. Food stamp eligibility (certification) workers:

   b. Food stamp Quality Control reviewers:

5. Does your state plan to expand the number of staff or otherwise modify the food stamp Quality Control process during the next six months?

   Yes____ No____ Undecided_____

   If "yes", please explain briefly.

6. In your opinion, does the food stamp Quality Control process provide an accurate indication of the level of program errors in your state:

   Yes____ No____.

   If "no", please specify reasons and ideas you may have for their remedy:

7. In your opinion, does the food stamp Quality Control process provide any indication of the degree to which illegal program abuse occurs in your state? Yes____ No____.

   If "yes", please explain:

8. Please identify and comment upon any of the following administrative problems which affect the Quality Control process in your state:

   /_/ Inclusion of technical and procedural errors in calculating overall error rates.

   Comment:

   /_/ Inclusion of recipient errors in calculating overall error rates.

   Comment:

/_/ Inconsistencies between Quality Control procedures and other Food Stamp program rules.

Comment:

/_/ Federal Quality Control tolerance levels.

Comment:

/_/ Sample selection and other statistical validity problems.

Comment:

/_/ Staffing or organizational problems at the state or local level.

Comment:

/_/ Other problems.

Comment:

9. When food stamp program errors are identified, are any steps taken to ensure corrective action? Yes____ No____.

If "yes",

a. Please list the major steps for correcting individual household errors:

b. Please summarize the major steps in making system improvements based on Quality Control findings:

c. Does your state have a mechanism for reviewing the effectiveness of food stamp program corrective actions? Yes____ No____.

If "yes", please explain:

10. Does the food stamp Quality Control process now provide a meaningful data base for caseload, cost and recipient characteristics for your state? Yes____ No____ .

If "no", please list specific reasons and any ideas you may have for their remedy.

11. For the purposes of analyzing cost, caseload and recipient characteristics, was the month of April, 1975, reflective of normal conditions in your state (e.g., natural disasters, strikes, unemployment, etc.)?

    If "no", please explain:

12. In addition to measuring program errors, do you believe the Quality Control process should be expanded to provide the federal, state and local levels of government with an integrated data base on cost, caseload and recipient characteristics?

    Yes_____ /_/ within 1 year, /_/ within 2 years,

    /_/ within 5 years

    No_____

    If "yes", please indicate any special needs, concerns or recommendations you may have in this regard:

    If "no", please describe your reasons:

13. Please provide any suggestions or comments with respect to the operation and improvement of the food stamp Quality Control and Corrective Action efforts at the federal level:

14. Please provide any additional comments on the food stamp Quality Control process you may desire:

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SURVEY OF STATE ADMINISTRATORS

THE FOOD STAMP QUALITY CONTROL PROCESS

HOUSE COMMITTEE ON AGRICULTURE -- MAY 6, 1976

The food stamp Quality Control process is administered by the Department of Agriculture through State and local welfare agencies. Modeled after the Department of Health, Education and Welfare's system for monitoring AFDC program errors, the purpose of the food stamp Quality Control process is to measure the extent to which households receiving food stamps are eligible; are certified for a purchase requirement in the proper amount; and are certified for the total food stamps to which they are entitled. In order to accomplish this purpose, a sample of non-public assistance cases is selected in each state (including Guam, Puerto Rico, the Virgin Islands, and the District of Columbia), for which eligibility and benefit levels are verified. Beginning in July 1976, the food stamp Quality Control sample also will include public assistance food stamp cases. The Department of Agriculture publishes error findings on a semi-annual basis, based on summary reports submitted by the States.

In the completion of Quality Control reviews, a great deal of data is collected by State and local agencies on the

characteristics of participating households, such as household composition, income, deductions, etc. On this basis, the Committee conducted a study, entitled "Characteristics of the Non-Public Assistance Caseload" (dated March 12, 1976), which analyzes Quality Control review forms for the month of April 1975 to develop a profile of recipient characteristics. A major purpose of the questionnaire survey reported in this paper was to obtain State views on the degree to which Quality Control provides an adequate data base for the analysis of recipient characteristics. Along these lines, the States also were asked to provide their views as to whether the Quality Control process should be modified to accomodate such analyses on an ongoing basis.

A second objective of this questionnaire survey was to determine the degree to which State and local administrators feel the Quality Control process accurately reflects the level of errors in the Food Stamp program. According to the most recent Department of Agriculture report, covering the period July to December 1975, 46.6% of all non-public assistance cases contain at least one error, and one bonus dollar in four is misspent. However, based on the Committee's "Survey of State and Local Administrators" (dated February 25, 1976), there is some concern that Quality Control policies and procedures may distort the "true" Food Stamp program error rate.

The issue of illegal program abuse has been discussed widely in the context of the Food Stamp program. Yet, definitive statistics have been lacking on the actual level of illegal program abuse. A special study by Committee staff now is underway on this issue. However, a third objective of the Quality Control questionnaire survey was to supplement this study by determining whether State administrators feel the Quality Control process provides any indication of the level of illegal program abuse.

Questionnaires were sent to all of the States plus the District of Columbia, Guam, Puerto Rico and the Virgin Islands (hereafter referred to as "States"). Responses were not received from Alabama, Oregon, South Dakota, Utah, and the Virgin Islands. The 49 returned questionnaires (representing a 91% questionnaire response rate, and a 96% response rate based on the portion of the April 1975 Food Stamp caseload represented by the participating States) were analyzed by Committee staff. The results are summarized as follows:

General Factors Related to the Operation of the Food Stamp Control Process

Questions 1, 2, 3, 4, 5 and 9 of the Committee Survey focused upon the operational aspects of the Food Stamp Quality Control process at the State and local levels. The objectives of these questions were (1) to gather general background information on Quality Control to supplement an earlier questionnaire sent to State and local food stamp administrators, the results of which were submitted to the Committee on February 25, 1976; and (2) to obtain numerical data to assist the Committee in interpreting its study, entitled "Characteristics of the Non-Public Assistance Caseload" (submitted to the Committee on March 12, 1976), which was based on information derived from the April 1975 Quality Control review sample.

Question 1 asked whether all of the State's Food Stamp project areas were included in the universe for Quality Control sample selections for the January to June 1975 review period. Forty-five of the forty-nine states, or 92%, answered "yes". Of the four states answering "no" to this question, only one reported that none of its project areas were included in the sample for the month of April 1975; and, of the remaining three states, 49 of 91 -- or 54%-- of the project areas were not included in the April 1975 sample. On a national caseload basis, these results indicate that about 93% of the non-public

assistance households were included in the Quality Control sampling universe for the month of April 1975. However, as indicated by the results of questions 6, 8, and 11 of the survey, some States experienced difficulty completing case reviews within the samples extracted from this universe.

Question 2 asked whether special units within the States were assigned the responsibility for conducting Quality Control reviews for the six-month period ending June 30, 1975. Forty-six of the forty-nine States who responded to this question -- or 94% -- answered "yes". Ten reported that the Quality Control unit reported either directly to the head of the State agency or to one of his principal assistants. However, this probably is an understatement of the number of States in which the unit responsible for food stamp Quality Control is at an organizationally prominent level, as fifteen States did not appear to understand this part of the question (e.g., seven gave addresses and eight did not respond), and the remaining twenty-one States repoted the name of the next higher unit without relating its organizational location with respect to the agency head. Also, the forty-six States answering "yes" to question 2 reported a total of 768 positions (persons) devoted to the Food Stamp Quality Control process. This represents an average of roughly seventeen food stamp Quality

Control staff positions per State, with the greatest number reported for a single State being 45, and the least number being 2. Due to the extreme food stamp caseload fluctuations between States, personnel requirements vary substantially and raise questions as to the meaning of the average positions figure. Eighty-six percent of the total staff mentioned in reference to this part of Question 2 was organizationally located at the State level (including regional offices).

Of the three States who answered "no" to Question 2, one reported that Quality Control reviews were handled totally by the local agencies, and the remaining two states responded that AFDC Quality Control staff also performed the reviews for the Food Stamp Program. A total of 91 positions were devoted in these States to Food Stamp Quality Control reviews: 13 at the State level and 78 (all from one State) at the local level. It should be noted that it was not possible to determine from the questionnaire how many of the States answering "yes" to Question 2 gave their reviewers both AFDC and food stamp cases.

In Question 3 the States were asked to summarize the minimum qualifications for food stamp eligibility (certification) workers and food stamp Quality Control reviewers. For the eligibility workers, 17 States required at least two years of college, with 10 of these States requiring a four-

year college degree. However, in almost every State previous work experience could be substituted for all or part of the education requirement. Most of the remaining States required a high school education in combination with special skills (e.g., knowledge of Food Stamp Program rules, typing, interviewing, etc.) and/or previous work experience, and successful completion of a Civil Service examination. One State allowed status as a current or potential welfare recipient to be substituted for the education requirement.

As might be expected, minimum qualifications for Quality Control reviewers were higher than for certification workers. For example, most States required college experience; and the States which had college experience requirements for certification workers generally had stiffer requirements for reviewers, including graduate experience in social work in some instances. However, the most important distinction for most States was in conditioning eligibility to become a reviewer upon previous experience of some duration (usually 1-3 years) either as a certification worker or in an equivalent job involving the operation or analysis of public assistance programs.

In Question 4, the States were asked to describe any training given for certification workers and Quality Control reviewers. Six States did not respond to the portion of this

question dealing with certification workers, probably because of an organizational separation of the certification and review functions at the State level. The most common response involved on-the-job training, either by itself or in combination with a formal staff development program (the longest of which was 8 days). Several States also mentioned that additional training and conference sessions were held when significant policy changes occurred. A number of States also referred to periodic "refresher" courses for certification workers and reviewers.

Question 5 asked whether the States planned to expand the number of staff or otherwise modify the Food Stamp Quality Control process during the next six months (January to June 1976). Eleven of the States were "undecided" on this question, with 17 responding "yes" and 21 answering "no". Fifteen of the States answering "yes" either were in the process of hiring additional staff, or planned to hire additional staff pending State funding approval. In 8 instances the expansion of Quality Control to include public-assistance food stamp cases was given as the primary reason for increased staff requests. Other States planned to handle the new public assistance cases by increasing the "case per worker" load of the review staff. The State referred to in Question 2 as having its Quality Control reviews handled entirely at

the local level for the six-month period ending June 30, 1975, reported that its Quality Control staff had been centralized at the state level effective January 1976. Another State mentioned that its Quality Control unit was being organizationally moved so as to be "closer" to the agency head.

In Question 9, the States were asked whether "corrective action" steps were taken when program errors were identified. 48 of 49 -- or 98% -- answered "yes", with one State not responding to this question. In almost all cases, the immediate corrective action consisted of notifying the local agencies of individual errors. However, only 8 States mentioned that there was a formal follow-up mechanism to ensure that the corrective action had been taken at the local level after notification; and only 5 of these States stipulated that individual errors had to be corrected within a specific time frame (i.e., 1 said "immediately", 2 said 15 days, and 3 had 30-day limitations).

The States also were asked in this question to summarize the major steps in making systems improvements based on Quality Control findings. While 7 States either did not respond or answered "none" to this part of the question, 15 States said that ongoing Corrective Action Committees were responsible for error analysis and system improvement measures. The most frequent types of State-wide corrective action measures men-

tioned were (1) the revision and clarification of Food Stamp manual instructions, and (2) staff training on program rules where a high frequency of errors were found.

Finally, the States were aksed in this question if they had a mechanism for reviewing the effectiveness of food stamp program corrective actions. Thirty States answered "yes", 8 answered "no", and 11 States did not respond to this part of the question. Of the States answering "yes", many referred to the analysis and review role of their Corrective Action Committees, and several also referred to the Food Stamp Efficiency and Effectiveness Program which is mandated by Section 15(b) of the Food Stamp Act. Two States said that an evaluation mechanism was included as an integral part of each corrective action measure. Another State mentioned that most of its corrective action measures were pilot tested before being implemented on a statewide basis. However, the most common evaluation tool mentioned was a simple comparison of the "pre-corrective action" error rate with the hopefully lower "post-corrective action" error rate in the appropriate program area.

Perceived Value of the Food Stamp Quality Control Process in the Detection of Program Errors and Illegal Program Abuse

The objective of Questions 6 and 8 of the Committee Survey

was to determine the extent to which State administrators believe the food stamp Quality Control process fulfills its stated purpose of identifying and classifying program errors as a management tool for program improvement. Question 7 was included in the Committee questionnaire to obtain the views of State administrators in regard to the allegations that the level of program errors is a reflection of the degree to which illegal abuse (by recipients) occurs within the Food Stamp program.

In Question 6, State administrators were asked whether, in their opinion, the food stamp Quality Control process provides an accurate indication of the level of program errors in their State. While one State did not respond to this question, 30 of the 48 States who did respond -- or 63% -- answered "yes". One of the States answering "yes" clarified its response, saying that, "Given that the sampling scheme can be better implemented, the information would be accurate." Another State mentioned that its affirmative response was limited to statewide error rates; and that the sample was too small to obtain a reliable error rate for each project area.

Of the 18 States (38%) answering "no" to Question 6, the most frequent reasons given were:

(1) that the Quality Control sample is either too small or improperly selected (7 States);

(2) that the inclusion of procedural and technical errors artifically inflates the overall error rate (6 States);

(3) that contradictions between program policies and Quality Control procedures in some cases have the effect of making errors out of decisions that were correct at the time of certification (6 States); and

(4) that insufficient staff is available to complete Quality Control reviews (4 States).

A more comprehensive picture of the problems States feel exist with the Quality Control process is given by the responses to Question 8, which asked the States to comment upon six specific problem areas, plus any others that may be applicable. The responses to this question are ranked according to frequency, as follows:

Problem	Frequency of Response	
1. Federal Quality Control tolerance levels	43	(88%)
2. Inclusion of technical and procedural errors in calculating overall error rates	41	(84%)
3. Inclusion of recipient errors in calculating overall error rates	37	(76%)
4. Inconsistencies between Quality Control procedures and other Food Stamp program rules	36	(73%)
5. Staffing or organizationsl problems at the State or local levels	28	(57%)
6. Sample Selection and other Statistical validity problems	26	(53%)

Fourteen States cited "other problems associated with the Quality Control process, although three of these responses fell into one of the above six categories, and have been included there. Of the remaining 11, five States cited difficulties in the internal operating procedures of the Quality Control process, such as coding instructions and the submission of schedules for sub-sample cases. Three States referred to relationship problems with Federal officials, such as sanction "threats" and a lack of responsiveness to program changes recommended by the States. One State mentioned duplicate Federal reporting requirements; one State disagreed with the inclusion of public assistance food stamp cases in QC sample; and one State called for basic reform of the Food Stamp program.

The States were asked in Question 7 whether, in their opinion, the food stamp Quality Control process provides any indication of the degree to which illegal program abuse occurs in their State. 37 of the 48 States responding to this question--or 77%--answered "yes". However, State views varied as to the nature of the relationship between the error rate and illegal program abuse. Nine States referred to the classification of deliberate misrepresentations of fact by recipients on Federal Quality Control reports as one indication of illegal program abuse. For example, FNS Report 247-1, a copy of which is submitted by the States to the Department of Agriculture for each six-month review period, contains boxes for the number of cases in the sample in which there was a misrepresentation of facts, the number of cases under investigation for fraud, and the number of cases in which the Quality Control review was not completed because recipients were unwilling to cooperate.

A few of the States responding to the Committee questionnaire felt that there was a well-defined numerical relationship between the error rate and the degree of illegal abuse. For example, one State responded that "During the January through June 1975 reporting period, deliberate and willful misinterpretations were indicated in 10.6% of the cases we reviewed.

This means that in 10.6% of the cases the client either gave the agency incorrect or incomplete information or failed to report some information which affected his eligibility." Another State responded that "Based on the Quality Control finding period ending June 1976, 20% of [the] cases reviewed were found to have misrepresentation of the facts."

Other States did not report numerical figures, but nonetheless felt that Quality Control statistics provided an indication of illegal recipient abuse. For instance, one State responded that "Because Quality Control performs a 100% verification two to three months after the review date, it is able to detect substantial abuse, especially misreporting and failure to report by clients. Also, for some reason, clients are more prone to divulge information to reviewers than workers." Another State said that "Obviously, at a 63% recipient error rate there are both innocent and deliberate abuses of the program." A third State responded that "The finding of eligibility with misrepresentation is found by QC reviewers and is a good indication in several cases of program abuse." One State even reported uncovering a "widespread fraud ring in a large metropolitan area" through the Quality Control process.

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A few States were careful to point out that the error rate provides an indication of recipient fraud, but is not designed or intended to monitor bank practices, the misuse of stamps, grocer violations, or employee illegal activities. A number of States also were careful to point out the tentativeness of Quality Control findings. For example, one State responded that "The QC system certainly gives an accurate upper limit of illegal program abuse in that the reviewers are to provide us with their opinion as to whether or not any error was the result of intentional misrepresentation of facts by the client, their instruction being to so indicate if there is any indication." Another State reported that "some allowance must be made for the fact that it is the reviewer's personal feelings that determines whether illegal program abuse exists." A third State replied that "the indication was very 'slight'. Specificity regarding 'program policy' errors would facilitate the use of QC findings as such an indication."

Usefulness and Potential of the Food Stamp Quality Control Process as a Program Data Base

Questions 10 and 11 were aimed at determining whether the States felt the Quality Control process provided a meaningful

data base for the Food Stamp program, to assist in interpreting the Committee's data analysis of quality Control review forms for the month of April 1975. Question 12 provided the added dimension of "future potential" of the Food Stamp Quality Control process as a program data base, to determine the extent to which the States felt the type of data analysis now being performed by the Committee might serve as a useful management tool on an ongoing basis.

Question 10 asked the States whether they felt the food stamp Quality Control process now provides a meaningful data base for caseload, cost and recipient characteristics for their States. The responses to this question were approximately evenly split, with 24 States answering "yes", 22 answering "no", and 3 States not responding. However, 3 of the States answering "no" questioned only the retrievability of the data as their computer systems are not now set up to process Quality Control data in this way, and 2 States felt that the Quality Control data did provide an

accurate indication of recipient characteristics. Seven States suggested that the Quality Control process could be modified to accommodate characteristics data through revision of the reporting forms and the addition of more detailed reporting requirements. Seven States questioned the validity of the sample size, and five States responded that they were unable to complete Quality Control samples (usually due to staffing problems). Three States did not feel that gathering recipient characteristics was a valid purpose of the Quality Control process, and suggested that this purpose would be served better through other means, such as special surveys.

Of the States replying "yes" to Question 10, only three provided additional comment. One State mentioned the retrievability problem due to the lack of existing computer software. The second State referred to a lack of feasibility because

of decentralization of Food Stamp program management and administration in that State. And the third State responded that the Quality Control process cannot identify the participation of special groups such as strikers, students and the military.

In Question 11, the States were asked whether the month of April 1975 was reflective of normal conditions in the State for the purpose of analyzing caseload, cost and recipient characteristics. Seven of the States either did not understand the question or did not respond. However, of the remaining 42 States, 34--or 81%--answered "yes" to this question. Two of the States answering "yes", however, noted high unemployment levels. And of the 8 States answering "no", 5 cited high unemployment or the recession as the reason April 1975 was not a representative month. Also, of the States answering "no", one cited that 3 of its counties were under emergency declaration because of flooding, and that the coast counties had not recovered from a shipping strike. The other two States answering "no" to Question 11 also cited strike activity as the major reason. According to one of the States, "A major aerospace industrial complex in our largest metropolitan area was on strike during the month of April 1975, inflating our active caseload by almost 8% statewide." The

other State responded that "(based on) a review of the number of food stamp cases under care, the number of households participating and the amount of total food stamp coupons issued for 1975 indicates that 4/75 was the highest month in the year in all 3 categories. There was a strike in the Southwest region of (name of State) during 4/75 and this would have contributed to the increase during that month."

In Question 12, the States were asked whether the Quality Control process should be expanded to provide the Federal, State and local levels of government with an integrated data base on cost, caseload and recipient characteristics. Three States did not repsond to this question; and of the States who did respond, 26 of 46--or a little more than half--answered "yes". Of the States answering "yes", 7 felt the necessary changes should be made within one year, 10 within two years, 7 within 5 years, and 2 States expressed no preference as to implementation timing. Also, of the States answering "yes", 6 expressed concern over the need for additional staff resources, and 3 States questioned the general feasibility of such a system. The most common benefit cited by the States answering "yes" to Question 12 was the potential for developing a profile of food stamp recipient characteristics (5 States). However, one State also cited potential benefits in estimating the impact of program policy changes on the food stamp caseload.

Of the 20 States who answered "no" to Question 12, 9 felt that using the Quality Control process as a general program data base would distort the purpose of Quality Control and/or would be too costly. One State responded, for example, that the Food Stamp Program already is over-regulated. Another State referred to a lack of staff in carrying out present Quality Control functions. A third State responded that "Quality Control is not cost effective, (and) has been used more as a policing action than an administrative management tool, with sanction threats." Seven of the States answering "no" to Question 12 responded that other, less costly, methods exist for obtaining recipient characteristics data (e.g., the characteristics survey mentodology which now is used for the AFDC program). Three States responded that the Quality Control process performs an adequate characteristics data function now. And one State replied that "The Food Stamp Program does not have a rehabilitation component as (does) public assistance. Therefore, recipient characteristics and caseload (are) not as relevant. Other than 50% of the administrative cost, the full cost is born by the Federal Government."

General Comments on the Operation and Improvement of the Food Stamp Quality Control Process

The last two questions--13 and 14--were quite open-ended; and were intended to provide the States with an opportunity to comment upon any subjects or issues related to Quality Control which were not adequately covered in other parts of the questionnaire. The staff analysis of these questions revealed that State responses largely were duplicative or earlier questions, and that the answers given in Question 14 tended to either restate or extend the responses for Question 13. Therefore, responses to the two questions have been merged for the purposes of this paper. Following is a discussion of the four categories of supplementary comments which were received with some frequency.

1. 23 of the 49 States--or 47%--cited additional concerns with the design or structure of the Food Stamp Quality Control process. Both the intensity and specificity of the concerns varied significantly among the States. For example, a number of States called for relatively straightforward modifications of the existing Quality Control process, among which were upgrading staff efficiency in the review, analysis and evaluation processes so that data could be better utilized in program planning and the reduction of errors; revision

of Form FNS 247 to enhance its clarity; timing the implementation of program changes to coincide with the beginning of Quality Control review periods; increasing the $25 limitation allowed on review-certification discrepancies for households with widely fluctuating income; implementing a Federal corrective actions program to accompany Quality Control; and replacing Quality Control with the Efficiency and Effectiveness program. However, other States questioned the basic purpose of Quality Control, saying such things as "quality control funds should be used for eligibility workers, supervisors and training. After all, what we are concerned with is program integrity and to have that, the above must be available."

2. 17 of the 49 States--or 35%--cited problems in their relationships with the Federal Government. Some States referred to general difficulties with the Federal Government, or to difficulties with agencies other than the Department of Agriculture (e.g., in obtaining data from the Social Security Administration). However, most of the comments were directed at the Department of Agriculture. One State commented, for example, that "No response is ever received from the Federal Quality Control Unit to the State Program Development level. Therefore, if we have no communications the program is not effective nor worthwhile. Its purpose is defeated."

A number of States pointed to a lack of flexibility by Federal officials in the area of program change, saying, for example, that "the Feds. appear to be a stone wall against which all meaningful comments on change and improvements have no effect"; and "the Federal level should respond to definite State findings, rather than ignore them as has been the case in the past." Three States responded that Federal Quality Control sanctions were a punitive approach which would undermine the purpose of the Quality Control process. According to one State, "If QC findings are used as a form of punishment, it will result in unrealistic and ineffective statistics being generated for the purpose of showing good performance rather than areas for improvement."

3. 15 of the 49 States--or 31%--responded that Quality Control error findings indicated the need for basic reform of the Food Stamp program. Nine States cited the need for simplification of program rules and procedures; 3 States called for the implementation of a standard deduction; 2 States recommended monthly verification of recipient income; 2 States suggested retrospective accounting; and 2 States indicated that the work registration requirement should be modified (i.e., one State said that the maximum registration age should be 55, and the other State thought that the requirement should be waived in

areas where there are no job opportunities). Two States also called for comprehensive reform of the welfare system. One State responded flatly, for example, that "the Food Stamp program should be cashed out"; and the other State commented that the number of Federal aid programs should be reduced, and the food stamp program should be merged with public assistance.

4. 3 of the 49 States--or 6%--called for increased Federal funding of the Food Stamp program.

APPENDIX VIII

Illegal Activities in the Food Stamp Program --The Federal Perspective

THOMAS S. FOLEY, WASH.,
CHAIRMAN
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VICE CHAIRMAN
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May 12, 1976

TO: Members, House Agriculture Committee

FROM: Thomas S. Foley, Chairman

SUBJECT: Illegal Activities in the Food Stamp program -- the Federal Perspective

The attached staff paper addresses the issue of illegal activities in the Food Stamp program from the Federal perspective. This paper represents the first of a two-part study. Illegal activities in the Food Stamp program from the perspective of State agencies will be considered in the second part of the paper, which will report the results of a special questionnaire that was sent to all fifty States plus the District of Columbia, Guam, Puerto Rico and the Virgin Islands.

This paper focuses on providing information regarding:

1. Violations and penalties, as well as administrative recourse available to food stamp administrators in handling cases of suspected violations.

2. Key Federal agencies and offices involved in the monitor and control of illegal activities.

3. Statistics on food stamp violations.

4. Aspects of certain working procedures used in the detection of violations, which provide perspective on current statistics.

Sources of information for the paper were drawn from materials supplied by various offices and agencies involved in maintaining the integrity of the Food Stamp program, correspondence and discussions between the staff and various office and agency personnel, and records of Congressional hearings.

SUMMARY
ILLEGAL ACTIVITIES IN THE FOOD STAMP
PROGRAM
THE FEDERAL PERSPECTIVE

Violations and Penalties

Section 14 of the Food Stamp Act of 1964, as amended, defines violations and penalties for the perpetration of such illegal acts against the food stamp program.

It is illegal to knowingly use, transfer, acquire, alter, or possess coupons or authroization to purchase cards (ATP) in any manner unauthorized by the Food Stamp Act of 1964, as amended, and its regulations, or to present or cause to be presented coupons for payment or redemption knowing they have been received, transferred, or used in any manner in violation of the Act or its regulations. Such violations involving coupons or ATP cards with a value of $100 or more constitute a felony and upon conviction carry a maximum fine of $10,000 and/or a maximum prison sentence of five years. Violations involving coupons or ATP cards with a value of $100 or less constitute a misdemeanor and upon conviction carry a maximum fine of $5,000 and/or a maximum prison sentence of one year.

Regulations issued pursuant to the Food Stamp Act of 1964, as amended, also provide that any person who knowingly makes false statements in the food stamp application or certification process, or fails to report changes in income, affecting participation in

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the food stamp program, may be subject to criminal prosecution or civil liability under any applicable federal or state laws.

Food coupons are deemed obligations of the United States within the meaning of 18 U.S.C. 8. Provisions relative to counterfeiting and the alteration of obligations, etc., are applicable to food coupons.

Federal Organization

The Federal Government has primary responsibility for handling suspected cases of gross negligence by a state agency; certifying and issuance office employee fraud; trafficking; violations by firms authorized to accept food coupons; counterfeiting; and thefts of cash, coupons, and ATP cards from issuance offices located in banks and post offices.

With respect to recipient violations, the Food and Nutrition Service issues pertinent guidelines, regulations and instructions, and must concur in the determination by a State agency that recipient fraud and/or misrepresentation has occurred before any action may be initiated to recover federal funds. However, because the State agencies are responsible for interviewing and certifying food stamp applicants, they bear the primary responsibility for the monitoring and handling of recipient violations.

A number of agencies and offices at the federal level may become involved in various phases of food stamp security in handling cases of suspected violations: the Food and Nutrition Service (FNS), the Office of Investigations (OI), the Office of Audit (OA), and the office of the General Counsel (OGC) -- all within the Department of Agriculture; the U. S. Postal Service; the U. S. Secret Service; Federal Reserve Banks and the Department of Justice.

Statistics on Food Stamp Violations

There is no overall coordinated data collection system on illegal activities in the food stamp program, and statistics should be viewed cautiously. At the federal level, the multiplicity of agencies and offices which may become involved in dealing with suspected violations yield variations in reporting methods, thus making "across-the-board" comparisons of cases and figures difficult. In addition, it is not unusual for statistics on reported cases for previous reporting periods to rise, or fall, as late reports are made, backlogs are processed, new cases uncovered; or new evidence developed which changes the character of a case.

For the last full fiscal year -- 1975 -- the Food and Nutrition Service reported the following totals for major categories of violations:

Counterfeiting

In FY 1975, $835,195 worth of counterfeit coupons was seized by the Secret Service. The Federal Reserve Banks statistically sample coupons coming back through the Reserve system for genuineness. However, the Secret Service reports few counterfeits get beyond the retail store or local bank levels because of their poor quality overall. In the history of the present food stamp program, less than 1.5 percent of the total $2.3 million ever seized in counterfeit food coupons, or $29,190, was found in circulation.

Thefts

In FY 1975, FNS reported 62 instances of thefts of food coupons with a total value of $572,000. In addition, three bulk shipments of coupons, valued at $50,000 were lost in transit.

Gross Negligence by State Agencies

Since 1970, charges of gross negligence have been made on nine occasions against seven States and the District of Columbia. Projected dollar losses to the Federal Government as a result of gross negligence totaled $1.7 million. Types of situations which eventually formed basis for the charges included such things as disregard of program regulations, failure to correct irregularities, inadequate

program security, overissuances of bonus coupons; and multiple certification and issuance errors.

Certifying and Issuance Office Employee Fraud

Statistics for both FY 1974 and 1975 on this category of food stamp violations are incomplete. Figures for both years indicate a total 53 instances of violations detected in 19 States and the District of Columbia. Total losses have not yet been determined, but known losses exceed $556,000.

Retailer-Wholesaler Violations

FNS reports in FY 1975, out of 2,834 investigations of cases of suspected violations by firms authorized to accept food coupons, 1,452 indicated evidence of violations.

A total of 746 stores were disqualified from participation in the food stamp program, in FY 1975, for periods ranging from 30 days to 3 years. Over 500 of the stores received disqualifications in the six months to one year range.

Another 730 stores were strongly suspected of violations on the basis of investigations, but were not disqualified from participation in the program.

The Food and Nutrition Service referred 666 cases of suspected

violations to the Department of Justice for prosecution. Prosecution was declined for 499 of the 666 cases. There were 147 "successful" prosecutions.

Recipient Violations

The Food and Nutrition Service reports that it undertook collection action in FY 1975 against 34,463 food stamp recipients for claims of food coupons overissuances valued at $6.3 million. An additional $800,500 in claims against 2,984 recipients, which was reported to FNS, was deemed uncollectable.

FNS states the majority of overissuances was due to cases of fraud or deliberate misrepresentation of fact by the household. Specific figures are unavailable.

Trafficking

There are no specific figures on trafficking per se. Statistics are elusive, primarily because offices and agencies interpret the term differently. Some offices consider it a motive for the perpetration of violations such as thefts or embezzlement, rather than an actual category of violation, except where individuals are caught in the act of trafficking itself. Other offices consider all violations possible trafficking cases if the coupons or ATP cards involved

have or would likely find their way into trafficking channels, had the violation gone undetected.

Conclusions

Whatever the actual levels of illegal activities in the food stamp program, it seems unlikely statistics used by federal food stamp administrators for several of the major categories of violations are accurate.

Aside from the random detection of violations through reports or complaints from outside sources, food stamp administrators are heavily dependent upon certain working procedures for the identification of possible violations.

The admitted failure of the FNS to adequately administer the food stamp accountability system, and recent findings concerning irregularities in the handling and redemption of cash collections for food stamp sales by food stamp issuing agents, immediately throws the security of food stamp funds, coupons and ATP cards into question, as well as statistics on coupon losses, retailer compliance and certifying and issuance personnel fraud.

Present policies with respect to investigations of retail food stores suspected of violations have exacerbated the problems of retailer compliance. A quota presently exists on the number of

investigations which the Office of Investigations can undertake. Since the implementation of the quota in October of 1975, a backlog of approximately 3,000 to 4,000 retailer cases has been created. The full impact of the quota as well as the mobilization of OI personnel to work on the "vendor scandel" is difficult to predict since FNS has advised its field personnel to limit their requests for investigations. At this time, FNS officials state they have been given no definite indication of how long the present situation might continue.

Only one nationwide, random "no advance warning" direct sampling of retail food store compliance has ever been made. In 1969, USDA officials conducted a random sampling of retail food stores in the 12 largest metropolitan areas served by the food stamp program at that time. The areas encompassed included stores which served 26.5 percent of all food stamp recipients and accounted for over 30 percent of the total of all food stamps issued.

The sample revealed that 44 percent of the stores tested sold ineligible items in exchange for food coupons and another 12 percent committed administrative violations such as giving cash in change or overcharging.

In the seven years since the sampling was made, changes in the retailer enforcement effort have been made, but since there

has been no comparable sample made subsequently, a "before and after" comparison of retailer compliance is not available.

With respect to recipient violations, it is unlikely federal authorities have accurate statistics, primarily because they have little or no idea of what each state agency employs in the way of a working procedure to identify possible violations. The results of a procedure known as "claims review determination" are utilized by federal food stamp administrators to indicate levels of recipient fraud or deliberate misrepresentation, but the Food and Nutrition Service does not mandate the consistent nationwide use of any specific procedure to identify such cases.

In addition, clearcut federal definitions between "misrepresentation" and "misunderstanding" are lacking, and the initial assessment of whether or not deliberate misrepresentation or fraud might be involved in a recipient case hinges on the perceptive talents of the individual food stamp caseworker.

Finally, in testimony before the Agriculture Committee earlier in the year, a USDA official openly stated the Department of Agriculture does not have reliable statistics on violations by food stamp recipients or retailers, and USDA does not know what the rates of fraud are exactly.

REPORT ON ILLEGAL ACTIVITIES IN THE FOOD STAMP PROGRAM
THE FEDERAL PERSPECTIVE

This segment of the staff study of the food stamp program addresses the problem of illegal activities. The purpose of this paper is to provide information regarding illegal activities by focusing on:

1) provisions of the Food Stamp Act of 1964, as amended, and its regulations which define violations of the program as well as penalties for the perpetration of such violations; and administrative recourse available to the Food and Nutrition Service, including the assessment of financial liability in the event there is a loss of federal funds, food coupons or authorization to purchase cards (ATP);

2) key federal and state offices and agencies which are involved in handling cases of suspected violations, either through their detection, investigation, or disposition;

3) general categories of illegal activities commonly utilized by state and federal agencies in the compilation of data on program abuse, including statistics on such violations; and

4) aspects of some work methods related to the detection of violations which provide perspective on current statistics and FNS efforts.

The protection of the food stamp program from abuse is a responsibility of both federal and state-level offices and agencies, but no centralized or coordinated system of data collection on illegal activities overall exists. Although there have been periodic flurries of press articles on illegal activities, most often highlighting individual cases of program violations or specific kinds of abuse, bibliographic reference guides on food stamps provided by the Library of Congress, for example, reveal publication of substantive papers or articles dealing with illegal activities are infrequent. Of approximately 140 bibliographic citations noted for food stamps by the Library of Congress over the past ten years less than half a dozen dealt with illegal activities either in part or in whole.

Sources of information for this study were drawn from materials supplied by various offices and agencies involved in maintaining the integrity of the food stamp program, correspondence and discussions between staff and various office and agency personnel, records of a number of congressional hearings, and a nationwide questionnaire on illegal activities distributed to the Directors of Departments of Social Services in the fifty States, the District of Columbia, Guam, the Virgin Islands, and Puerto Rico.

The size and diverse elements of the food stamp system which must be monitored and protected from violations are amply demonstrated by a brief review of the basic physical dimensions of the program: By the end of calendar year 1975, there were 3,046 food stamp project areas in the United States, Guam, Puerto Rico, and the Virgin Islands, serving food stamp recipients. Participation in the program fluctuated during the year, and reached its high point in April when some 19.4 million recipients were on the food stamp rolls.

During the year, approximately $10 billion in food stamp coupons was transported to 3,695 shipping or storage points for distribution to 14,254 issuing agents, authorized to sell coupons to eligible recipients. Issuing agents included government welfare offices, chartered financial institutions, post offices and other agents such as community organizations, city clerks, and other stores.

Firms authorized to accept food coupons in exchange for eligible food during 1975, totaled 245,105 retail food stores, 4,220 wholesale food concerns, and 6,939 "prepared meal services," comprised of nonprofit meal delivery services, communal dining facilities for the elderly, drug addiction treatment programs and alcoholic treatment programs.

Federal and state level offices or agencies may often exchange information or work jointly in handling suspected violations, but one of the other level usually bears the primary responsibility for the detection, investigation and/or disposition of a case, depending upon the type of violation and where it was committed. For this reason and to facilitate a more orderly and succinct presentation, this paper discusses the federal and state roles separately.

The Federal Role. -- Violations and penalties.

Federal law and regulations define violations and penalties for the perpetration of such illegal acts against the food stamp program.

Section 14 of the Food Stamp Act of 1964, as amended, states:

"(b) Whoever knowingly uses, transfers, acquires, alters, or possesses coupons or authorization to purchase cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization to purchase cards are of the value of $100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than $10,000 or imprisoned for not more than five years or both or, if such coupons or authorization to purchase cards are of a value of less than $100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than one year, or both.

(c) Whoever presents or causes to be presented, coupons for payment or redemption of the value of $100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act shall be guilty of a felony and shall, upon conviction thereof be fined not more than $10,000 or imprisoned for

not more than five years, or both, or if such coupons are of a value of less than $100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than one year, or both.

(d) Coupons issued pursuant to this Act shall be deemed to be obligations of the United States within the meaning of title 18, United States Code, section 8."

Regulations (7 CFR 270.4) issued pursuant to the Food Stamp Act of 1964, as amended, also provide any person may be subject to criminal prosecution under any applicable federal law or to civil liability under the provisions of 31 U.S.C. 231, "Liability of persons making false claims," or either, or both, as well as to any legal sanctions as may be maintained under state law if he or she: knowingly makes false statements in any application or certification required by Food and Nutrition Service (FNS) Regulations, FNS Instructions, or by the Plan of Operation of any State agency; willfully fails to report changes in income and household circumstances which may affect participation in the food stamp program, as required by FNS Regulations; or fraudulently issues, acquires, transfers, uses or alters Form FNS-286, "Certification of Household Transfer" (the document used to continue a household's certification when it has moved from one project area to another; in effect, an extension of their certification period.).

Regulations (7 CFR 270.4(c) also stipulate: "All individuals, partnerships, corporations, or other legal entities including State agencies and their delegatees having custody, care and control of coupons and ATP cards shall at all times, in receiving, storing, transmitting, or otherwise handling coupons and ATP cards take all precautions necessary to avoid acceptance, transfer, negotiation, or

use of suprious, altered, or counterfeit coupons and ATP cards and to avoid an unauthorized transfer, negotiation, or use of coupons and ATP cards. Such persons shall also safeguard coupons and ATP cards from theft, embezzlement, loss, damage, or destruction."

Administrative Recourse & Financial Liabilities

The Food and Nutrition Service is authorized to undertake certain administrative actions affecting State agencies, food stamp recipients, retail food stores, meal services and wholesale food concerns when FNS makes an administrative determination that an illegal act has been committed, or following prosecution, or when prosecution is declined. FNS is also empowered to recoup federal funds lost in the perpetration of illegal acts through the assignment of financial liability to the State agency, food stamp recipient, retail food store, wholesale food concern, or meal service.

For example, the Food and Nutrition Service may assign financial liability to the State agency for the value of any free coupons issued as a result of gross negligence or fraud on the part of the State agency.

The State agency is financially liable to FNS for the face value of lost coupons or the sums required to be collected by it in payment of the purchase requirement for the stamps, including coupons or funds lost as a result of thefts, embezzlements, or unexplained causes. The State is relieved of liability if it establishes to the satisfaction of FNS that the coupons were recovered or destroyed prior to their presentation for redemption. The State agency is also financially liable for the bonus value of all coupons purchased through the use of documents which are stolen or embezzled from or lost by the State agency.

If it is ascertained an individual recipient household has fraudulently obtained food stamps, the State agency is responsible for making all reasonable

efforts at collecting from the individual recipient the value of any free coupons involved. Any and all repayments made by the recipient to the State agency must be fully remitted to the Food and Nutrition Service. A recipient may be disqualified from further participation in the program, for such period of time as the State agency may determine, if the recipient fraudulently acquires food stamps by failing to comply with provisions of FNS Regulations, the State Plan of Operation or any procedure or instructions issued by FNS or the State agency. Financial liability is not assessed against the State agency for the issuance of excess free coupons as a result of recipient fraud if the State agency prudently carries out its responsibility to investigate the case and undertakes reasonable collection efforts, as defined by the Food and Nutrition Service.

Under the Food Stamp Act, as amended, and current regulations, any authorized retail food store, meal service, or wholesale food concern may be disqualified from further participation in the food stamp program, for a period of up to three years, if the firm fails to comply with the Food Stamp Act or its regulations. When FNS determines a retail food store, meal service, or wholesale food concern accepted coupons in violations of provisions of the Food Stamp Act, or its regulations, FNS may deny the claim for redemption of such coupons. In the event the coupons have been redeemed, FNS may make a monetary claim against the firm for the coupons involved. Failure to pay the claim may result in disqualification from participation in the program or denial of application for reauthorization submitted by the firm, if previously disqualified, until the claim is paid.

Section 12 of the Food Stamp Act, "Determination and Disposition of Claims," states, "The Secretary shall have the power to determine the amount of and settle and adjust any claims and to compromise or deny all or part of any such claim or claims arising under the provisions of this Act or the regulations issued pursuant to this Act (7 U.S.C. 2021)."

State agencies must provide fair hearing before the agency, or an evidentiary hearing at the local level with a right to appeal to an agency hearing, for those food stamp households who believe they have been aggrieved by any action taken by the State agency or state issuing agency in its administration of the program which affects the participation of the household in the program. FNS regulations require the State agency to take prompt, definitive and final administrative action within 60 days of any request for a hearing.

A retail food store, wholesale food concern, or meal service is provided the opportunity for an administrative review by the Food and Nutrition Service in the event it is disqualified from participation in the food stamp program; or is denied all or part of any claim under provisions of Section 12 of the Food Stamp Act, "Determination and Disposition of Claims." Firms dissatisfied with the decision of the administrative review may obtain judicial review of that determination by filing a complaint against the United States in the U.S. District Court for the district in which they reside, or are engaged in business, or in any court of record of the State having competent jurisdiction.

Organization and Responsibilities.

The Federal Government has primary responsibility for handling suspected cases of gross negligence by a state agency; certifying and issuing office employee fraud; trafficking; violations by firms authorized to accept food

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stamps; counterfeiting; and thefts of cash, coupons, and ATP cards from issuing offices which are located in banks or post offices.

A number of agencies and offices at the federal level may become involved in various phases of food stamp security in handling suspected violations: the Food and Nutrition Service (FNS), the Office of Investigations (OI), the Office of Audit (OA), and the Office of the General Counsel (OGC) -- all within the Department of Agriculture; the U.S. Postal Service; the U.S. Secret Service, Federal Reserve Banks; and the Department of Justice.

The Food and Nutrition Service is the administrative heart of the food stamp program, operating from its headquarters in Washington, D.C., through six regional offices and 193 field offices. FNS is responsible for the promulgation of federal guidelines, regulations and instructions to FNS regional and field personnel, state agencies, agents authorized to issue food stamps, and firms authorized to accept food coupons, regarding their responsibilities where program compliance and security are concerned.

Ensuring the accountability of food stamp inventories, issuances and cash collections for the sale of food stamps is the responsibility of the Food and Nutrition Service. Operation of an effective coupon accountability system can have great impact upon FNS efforts to detect manipulation of coupons or the embezzlement of cash and coupons by food stamp personnel. Recent findings concerning irregularies in the handling and redemption of cash collections for food stamp sales by food stamp issuing agents have effectively illustrated the importance of an efficient accountability system. The final results of the nationwide audit which the Department of Agriculture initiated last October when the first irregularities were discovered have not yet been released. When USDA officials last testified at food stamp hearings before the House Agriculture Committee in February 1976, Assistant Secretary Richard Feltner

stated that some $6.5 million in food stamp funds was unaccounted for and the Department was working on its recovery. It is not yet known how much the final figures may differ from the $6.5 million figure, or what part of the final total will involve suspected violations of the food stamp program, which will be referred to the Department of Justice for its attention.

The Department of Agriculture has been aware for some time that its food stamp accountability system was not working effectively. Early in 1975, during hearings on FY 1976 appropriations, the Office of Audit submitted materials to the Subcommittee on Agriculture and Related Agencies of the House Appropriations Committee, which stated internal controls of cash collections, food coupons and ATP cards were not functioning properly. Examples of irregularities uncovered by audits conducted by the USDA Office of Audit included the misuse of cash receipts by issuing agents, including the use of $83,000 in food stamp cash receipts by one issuing agency to pay general operating expenses for the issuing agency; and the retention of cash receipts for excessive periods and the use of such receipts for investment purposes -- in one county, twelve issuance agents had earned about $46,700 during a one year period. OA also cited the retention of $650,000 in recoveries from banks of cash or coupons shortages in an interest bearing account by a metropolitan food stamp project, pending specific requests or billing by the Food and Nutrition Service.

Later in the year, the Food and Nutrition Service stated in its response to S. Res. 58, "In the absence of State monitoring and timely reconciliation by FNS, discrepancies such as manipulation of funds and/or embezzlements of cash and coupons have gone undetected, in some instances, for long periods of time.

In reaction to the initial findings of the audits of issuance agents in early 1976, USDA announced its intention to amend food stamp regulations to tighten the accountability of food stamp issuance agents, in order to rapidly

identify possible fund shortages and late deposit problems.

In addition to its overall supervisory and coupon accountability responsibilities, the Food and Nutrition Service performs several functions more immediately related to the detection and disposition of illegal activities. Of approximately 1300 FNS food stamp personnel, 950 are involved in retailer compliance activities. USDA emphasizes education as the primary means of encouraging program compliance among firms authorized to accept food stamps in exchange for eligible food items. FNS field personnel make periodic educational visits to provide such firms with information on program requirements and stress the importance of compliance. In FY 1975, 387,167 educational visits were made by FNS to approximately 249,000 firms authorized to accept food stamps during that period.

Firms receive a minimum of either one or two educational visits annually, depending upon the volume of food stamp business they transact. About half of the firms received one visit each, and the remaining half two visits each in FY 1975.

The food stamp business of such firms is monitored through such in-person visits to the stores, in addition to inquiries made of the local public, law enforcement authorities, welfare agencies and competitors, regarding possible violations.

However, approximately 80 percent of the requests made by FNS for investigations of possible violations originate as a result of a computerized review of the coupon redemptions of a retail store with its actual food sales for a given period. Those stores showing statistically excessive redemptions of coupons in contrast to actual food sales and those of other stores are considered possible compliance violators.

Any indications of non-compliance with program regulations prompts a special compliance visit to the firm to confront the retailer with suspected violations and warn him of the penalties for their occurrence.

During FY 1975, 28,501 compliance situations were cited by FNS and 14,815 compliance letters were subsequently sent to retailers, confirming the visit and noting that FNS suspected the occurrence of violations in the store. The compliance letter gives the store owner warning to correct the situation or face possible adverse administrative action.

If indications of violations continue, the Food and Nutrition Service may request an investigation be made by the Office of Investigations. During FY 1975, FNS reports it requested 4,065 such investigations be made by OI and that 2,834 of these investigations were completed. Of the stores investigated, 730 were found to have committed administrative violations and were not disqualified from participating in the program, although they did receive a warning. A total of 684 stores were disqualified from the program for periods ranging from 30 days to three years. An additional 62 stores were disqualified on the basis of computer redemption analysis results.

As earlier noted, the Food and Nutrition Service also reviews reports referred to it by State agencies involving cases of suspected recipient fraud or misrepresentation where there has been an overissuance of bonus coupons. FNS must concur with the State agency's recommendations before any corrective action or other disposition of the case may be taken by the state agency.

Through its headquarters in Washington, D.C., and regional and field offices, the Office of Investigations of the Department of Agriculture is

responsible for conducting numerous investigations of various programs in USDA, including the investigation of alleged criminal violations of the food stamp program. Food stamp investigations currently account for approximately 64 percent of the total OI caseload, as compared with 5 percent in 1964, when the food stamp program was first getting underway.

OI conducts investigations of retail food stores to determine if stores authorized to participate and accept food stamp coupons are selling ineligible items for coupons, buying coupons for cash or committing other irregularities.

Suspected cases of trafficking are also investigated by OI to determine if individuals or business establishments not authorized to participate in the program are dealing in food coupons for profit. Such cases include the illegal redemption of food coupons acquired through trafficking by authorized stores.

While illegal acquisition of food stamp coupons by individual recipients is generally deferred to the state agency for handling, cases of individual recipient fraud are investigated by OI if it is suspected the certification/issuance process is being used to provide food coupons for illegal distribution or redemption. Suspected participation and violations by certification/issuing office employees are also investigated by OI.

The Office of Investigation does not usually have chief investigative responsibility for cases of burglaries, robberies, or thefts of cash, coupons or ATP cards from issuing offices. In such instances, the local police generally handle investigations unless the issuing office is located in a bank or a post office. In the latter two situations, the investigative responsibility is assumed by the Federal Bureau of Investigation and the U.S. Postal Service Inspectors, respectively.

OI does offer assistance to local police and is responsible for providing all facts surrounding burglaries, robberies, and thefts from issuing offices to the Food and Nutrition Service so they may establish claims against involved state agencies to recover losses to the Federal Government. OI obtains copies of the police reports and supplements them with material required by FNS to establish loss, such as the examination of inventory documents and any additional interviews needed to clarify the case.

In FY 1974, food stamp investigations took up about 35 percent of OI's available investigative manpower; in FY 1975, 39 percent; and in FY 1976, it is anticipated they will consume about 43 percent.

Requests for investigations involving possible violations of the food stamp program are received by OI Regional Offices, evaluated and, if accepted, scheduled for investigation. Over 80 percent of the requests for food stamp investigations OI receives concern suspected violations by retail food stores, and over 90 percent of these requests originate with the Food and Nutrition Service. Of the FNS-originated requests for investigations of retail food stores, about 80 percent are made on the basis of stores identified through computer redemption analysis, as having redeemed a statistically excessive volume of coupons in contrast to actual food sales and other stores. Other requests from FNS related to retail food stores are made on the basis of observed violations or complaints received by FNS field personnel. Investigations of trafficking or receipient fraud may also be generated by requests for investigations from FNS, but also arise through sources of information, surveys, referrals from other law enforcement agencies or grow out of scheduled investigations.

In FY 1975, the Office of Investigations devoted 74 of its overall 192 manyears authorized for investigative work to food stamp cases. Of the 74 manyears utilized in the investigation of food stamp cases, 46 manyears were employed in investigations of firms authorized to accept food coupons. For FY 1976, OI has authorized total investigative manpower of 201 manyears, of which 87 manyears will be devoted to food stamp investigations. Of the 87 manyears, 52 manyears will be applied to investigations of suspected store violations.

According to the testimony of Under Secretary of Agriculture, John Knebel, earlier this year, during House appropriations subcommittee hearings, OI began a shift in the emphasis of its investigative efforts from retailer/wholesaler cases to the investigation of "more sophisticated abuses such as fraud and food stamp trafficking," and "anticipates these investigations will contribute substantially to the integrity of the entire Food Stamp Program."

Reports on all types of investigations are made to FNS in Washington and regional personnel. When evidence of a possible criminal violation has been established, a report is also made to the appropriate USDA Regional Attorney (Office of the General Counsel). The Regional Attorney determines if the circumstances warrant referral to a U.S. Attorney and the Food and Nutrition Service must defer any administrative action until advised of the U.S. Attorney's decision. If prosecution is initiated, FNS administrative action must await completion of trial and sentencing. After that, and in any case where prosecution is declined, FNS proceeds with its action to bring about final disposition of the case.

The Office of Investigations makes scheduled checks of new issuing offices to survey physical and operational conditions which might be condusive to

abuse such as thefts or burglaries, and makes recommendations for improvements in physical security.

The following chart outlines the number of requests for investigations received by the Office of Investigations during FY 1974 and FY 1975, as well as the number of investigations which were completed and the number of cases referred to the Office of the General Counsel. In FY 1974, of 2,531 investigations completed, OI determined 52 percent or 1,305 showed evidence of violations, while no evidence of violations was found in 1,226, or 48 percent.

In FY 1975, 51 percent or 1,682 of the 3,313 investigations completed by OI revealed evidence of violations, and in the remaining 49 percent or 1,631 cases, no evidence of violations was found.

Cases are broken down under the headings of "Retail food stores," "Trafficking," and "Recipient fraud." "Trafficking" is a general classification used by OI to represent those cases of suspected violations where the food stamps or authorization to purchase cards involved have or would, in all likelihood, find their way into trafficking channels. This includes cases involving wholesalers, non-authorized establishments, robberies, burglaries, thefts, trafficking in ATP cards either by individuals or manipulation of a computerized system, and all other trafficking. The column on the chart labeled "Recipient fraud," refers to individual recipient fraud other than trafficking.

(chart attached)

Source: OI, USDA

Office of Investigations, USDA. Investigative efforts for Fiscal Years 1974 and 1975.

Fiscal Year	Retail food stores 1974	Retail food stores 1975	"Trafficking" 1974	"Trafficking" 1975	Recipient Fraud 1974	Recipient Fraud 1975	Total 1974	Total 1975
Requests for Investigations	2,457	3,690	486	758	104	108	3,047	4,556
Investigations Completed	2,062	2,686	424	534	45	93	2,531	3,313
(evidence of violations)							(1,305)	(1,682)
(no evidence of violations)							(1,226)	(1,631)
Referred to the Office of the General Counsel	1,145	1,330	324	267	67	68	1,536	1,665

With a fifty percent increase in the number of referrals from the Food and Nutrition Service, over FY 1974, requesting investigations of suspected retailer violations, the Office of Investigations had a backlog of approximately 2,000 food stamp cases at the end of FY 1975, some of which were six to eight months old, according to one OI official.

The Office of Investigations projected the number of retailer cases, which could be investigated given available investigative manpower. Based on the man-years available and the average number of days it takes to investigate a retail food store case, OI determined it had the capability to handle 3,100 retailer cases in FY 1976, beginning on October 1, 1975. Once every 90 days, Office of Investigation and Food and Nutrition Service regional personnel review all the retail food store cases for which the Food and Nutrition Service has requested an OI investigation. FNS and OI then select for investigation those cases which they judge possibly pose the greatest threat to the food stamp program. The remainder of the cases become part of a backlog. At this time, a decision has not been made as to how the backlog of cases will be handled. Staff understands the feasibility of several alternatives is being studied by the Department at this time.

The Office of Audit performs audits and other inquiries of all USDA program and administrative activities. Like the Office of Investigations, the Office of Audit operates independently of all USDA offices and agencies. OA functions through its office in Washington and six regional offices.

OA reviews and appraises the food stamp program and its administrative activities to determine the effectiveness of program operations, compliance

with laws and regulations, and economical and efficient management of resources. The Office of Audit conducts periodic audits of food stamp project areas, state agencies, and FNS District Offices, as well as specialized audits of specific problem areas. During FY 1975, 709 audits of the food stamp program were made by OA, as compared to 630 audits in FY 1974. Approximately 747 audits were scheduled for the current fiscal year. In FY 1975, 20 percent of OA resources were devoted to the food stamp program.

Reports of audit results are made by OA to the Food and Nutrition Service with recommendations for corrective action where needed. Emphasis is placed on the improvement of resource accountability, effective and efficient realization of program objectives, and the maintenance of program and personnel integrity.

With respect to the detection of illegal activities, OA audits generally concentrate on overall administrative aspects of the program rather than single instances of abuse. However, indications of the latter, uncovered during the course of an audit, such as thefts, trafficking, or fraud are turned over to the appropriate federal, state or local authorities for investigation.

Audits form the basis for establishing claims of gross negligence against state agencies, as well as the assessment of dollar losses to the program as a result of gross negligence. Activities undertaken by state agencies, related to the certification or issuance process, which do not substantially comply with program regulations and result in losses of federal funds can constitute grounds for a charge of gross negligence. In addition, failure to take corrective action on a prior audit or FNS administrative review would be a strong basis for gross negligence where conditions causing losses have been permitted to continue.

Since 1970, OA audits have resulted in the establishment of gross negligence charges on nine occasions against seven States (California, Hawaii, Illinois, Michigan, Nebraska, New Jersey, Washington) and the District of Columbia. Statistically valid audits employed by OA to project dollar losses to the Federal Government as a result of these charges estimate total federal losses at approximately $1.7 million. Types of situations found within state agencies' administrative frameworks, which eventually formed the basis for claims of gross negligence against the seven states and the District of Columbia included: disregard of program regulations; failure to correct irregularities; inadequate program security resulting in thefts or fraudulent acquisition of ATP cards; issuance and negotiation of duplicate ATP cards; overissuances of bonus coupons; multiple certification and issuance errors; poor computer controls; and the implementation of instructions or procedures without necessary approval of USDA.

Both the Office of Audit and the Food and Nutrition Service have noted drawbacks to using "gross" negligence determinations. In its study of the food stamp program mandated by Senate Resolution 58 last year, the Food and Nutrition Service noted: "At this time it is difficult to make a determination of "gross negligence" against a State agency for deficiencies in the administration of the Food Stamp Program. If "gross" were dropped from that section of the Act, prosecution would be easier since it continues to be a difficult legal concept to establish for purposes of the Food Stamp Program even when a State agency has been admittedly negligent in the certification of recipients."

In summarizing its audit efforts where gross negligence is suspected, the Office of Audit observed, "The FSP Act requires that gross negligence be proved before actions can be taken against States not properly administering the

program. It has been extremely difficult to prove gross negligence and recover program funds improperly expended. In most cases it would have been relatively easy to prove negligence. We could have recovered millions of dollars in misspent funds."

The Office of the General Counsel is responsible for maintaining liaison with the Department of Justice and the U.S. Attorneys with respect to all litigation involving the USDA. In actions brought by the government on behalf of the Department, OGC analyzes the investigative report, if any, gathers all documents necessary to support its case and transmits the case with a full report, including appropriate legal arguments to the Department of Justice for action. OGC carries out its activities in Washington and 16 field locations in the United States and Puerto Rico.

In FY 1975, the Office of the General Counsel processed a total of 931 cases involving suspected food stamp violations, of which 672 were referred to U.S. attorneys and 259 were closed by OGC without referral because of insufficient evidence. A total of 1,665 cases had been referred to OGC for its review by the Office of Investigations.

Although the Department of Agriculture has tried to encourage federal and state prosecutions of food stamp cases, the courts have remained reluctant to take cases of suspected food stamp violations to court. In 1975, USDA officials testified at House appropriations hearings that "Although we have found numerous program violations, the Federal prosecuting attorneys are so busy with matters and violations of law that are of so much greater moment than the violations or infractions under the food stamp program, that it is

"Successful" Prosecutions for Food Stamp Fraud in Fiscal Year 1975, Nationwide. (Source: FNS, USDA)

State Prosecutions	Number	Dollar Value
Northeast Region		
Connecticutt	1	$ 304.00
Maryland	2	578.00
New Jersey	2	1,638.00
Vermont	7	1,717.00
Total	12	$ 4,237.00
Southeast Region		
Alabama	5	2,059.00
Florida	189	85,882.75
Georgia	44	26,792.75
Kentucky	3	4,352.00
Mississippi	11	10,096.00
North Carolina	1	534.00
Tennessee	2	749.00
Total	255	$ 130,466.00
Midwest Region		
Indiana	1	1,500.00
Iowa	8	3,062.00
Michigan	8	2,859.00
Missouri	3	*
Ohio	20	13,785.75
Total	40	$ 21,207.25
West-Central Region		
Arkansas	14	*
Colorado	9	10,090.51
Louisiana	159	230,023.75
Texas	111	84,490.50
Total	293	$ 324,604.76
Western Region		
Arizona	10	4,376.00
California	4	136.00
Hawaii	11	*
Washington	8	2,523.00
Total	33	$ 7,035.00
Grand Total	633	$ 487,550.01

* Dollar value unknown.

Federal Prosecutions	Number	Dollar Value
Northeast Region		
Virginia	1	$ 1,408.50
Total	1	$ 1,408.50
Southeast Region		
-	0	0
Total	0	0
Midwest Region		
Iowa	3	660.00
Total	3	$ 660.00
West-Central Region		
-	0	0
Total	0	0
Western Region		
Alaska	1	259.75
California	1	1,686.00
Total	2	$ 1,945.75
Grand Total	6	$ 4,014.25

difficult to have one of the prosecuting attorneys at the Federal level take these cases to court."

In February 1976, materials submitted by Assistant Secretary Richard Feltner as part of his testimony before the House Agriculture Committee noted: "USDA (FNS) encourages prosecution of food stamp fraud on the State level whenever possible. Successful State prosecution depends on the applicability of the particular State's criminal statutes. As of September 1975, 25 States have statutes which specifically apply to food stamp fraud, 24 have general statutes which can be applied to food stamp fraud, and 5 States are without any applicable laws."

During FY 1975, there were six successful federal prosecutions of food stamp fraud cases, in contrast to 633 successful prosecutions at the state level for the same period.

Staff was unable to ascertain what number or percentage of food stamp fraud cases include requests for prosecution and how many of these actually go to court. Justice Department officials indicated records are not kept for this purpose, and at the Department of Agriculture, FNS only requires regional offices to forward figures on the number of "successful" prosecutions for such cases.

With respect to retailer-wholesaler violations, FNS records show that in FY 1975, 666 cases were referred to the Department of Justice, but that prosecution was declined on 499, or 75%, of the cases. There were 147 cases resulting in successful prosecutions.

The Federal Reserve Banks and the U.S. Secret Service are primarily responsible for monitoring the food stamp program for possible counterfeit food coupons.

Banks accept food coupons for credit or redemption from firms authorized to take food coupons in exchange for food and forward them to the Federal Reserve Banks for redemption. Through an agreement with the Department of Agriculture, Federal Reserve Banks examine the genuineness of the redeemed food coupons.

Each Federal Reserve Bank selects the personnel to make the examinations of coupons and the dates on which such examinations are to be made. Not less than two percent of the paid coupons of the two largest denominations are examined once every sixth business day.

If the Federal Reserve Bank detects any coupons in a deposit of a depositing bank which appear not to be genuine, all the coupons of the same denomination in that bank's deposit are examined. All coupons of the same denomination received from the bank concerned are examined during the next succeeding five busine-s days, unless USDA or the Secret Service advise the Federal Reserve Bank otherwise.

The Secret Service advised staff most counterfeit food coupons are of very poor quality and rarely get beyond the retail food store level or the local bank. In the history of the food stamp program, less than 1.5 percent

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or $29,190 of the total $2,271,962, which has ever been seized in counterfeit coupons has been discovered in circulation. More recently, counterfeits with a total value of $1,134,630 were seized in FY 1974, of which only $295 were found in circulation. In FY 1975, $835,195 worth of counterfeit food coupons was seized, with $9,562 of that total discovered in circulation.

FNS records for counterfeit activity do show far fewer coupons are seized by the government after they have gotten into circulation, than the number found before making it into circulation. For example, in FY 1974, counterfeits with a total value of $1,134,630 were seized, of which only $295 worth were found in circulation. In FY 1975, $835,195 worth of counterfeit food coupons were seized with $9,562 of that total being found in circulation.

From time to time, the U.S. Postal Service may become involved in handling suspected cases of food stamp violations. Food coupons are carried through the mails as bulk shipments en route to shipping points, and in some food stamp project areas, ATP cards are forwarded through the mail to recipient households from certification offices.

Also, under a Memorandum of Agreement between the Department of Agriculture and the U.S. Postal Service, state agencies which administer the food stamp program may contract with USPS for post office issuance of food stamp coupons. Approximately 2,600 postal outlets presently provide food stamp issuance services to 17 States. Under the contract agreement with state agencies, USPS agrees to safeguard and protect the coupons and cash it handles as an issuing agent. USPA also assumes financial liability for lost coupons with the exception of those lost through destruction and acceptance of counterfeit, forged or altered ATP cards where such conditions are not obvious.

In coordination with the USDA, U.S. Postal Inspectors investigate mail thefts and thefts of cash, coupons, or ATP cards from USPS issuance offices, and postal worker fraud in the manipulation of ATP cards or coupons through the mails. During FY 1975 and the first two quarters of FY 1976, there were no mail thefts of food coupons.

The Postal Service has informed staff it has investigated two cases of postal worker manipulation of the variable purchase option on authorization to purchase cards, which had been reported by other postal employees. USPS stated there was no practical way to detect such manipulation after the fact, and it was almost impossible to detect ATP manipulation by audit. The previous provisions of the old memorandum of agreement between USDA and USPS exacerbated the problem by allowing a $100 tolerance factor in the monthly reconciliation of actual and authorized issuances. In an effort to tighten up accountability, the recently negotiated new memorandum of agreement between USDA and USPS requires that 100 percent of the authorized issuances be reconciled with actual issuances.

Statistics on general categories of food stamp violations.

Statistics on food stamp violations are generally broken down in to the following categories: 1) counterfeiting; 2) thefts; 3) gross negligence; 4) wholesaler-retailer violations; 5) food stamp certification and/or issuing office personnel fraud; and 6) recipient fraud/misrepresentation.

There is no overall coordinated data collection system on illegal activities in the food stamp program, and statistics should be view cautiously. At the federal level, for example, the multiplicity of offices and agencies, which share some responsibility for monitoring and controlling illegal activities. yields variations in reporting methods, thus making "across-the-board" comparisons

of cases and figures difficult. For example, the chart which appears in this paper, outlining OI investigative efforts contains figures on retail food store cases which differ from those reported by FNS for retail food stores during the same period. OI states it received 3,690 requests for investigations of retail food stores, and 2,686 of those investigations were completed. In contrast, FNS states it requested 4,065 investigations and received reports on 2,834. Both FNS and OI stand by their own reported statistics, noting that such differences are not uncommon and most likely due to differences in office filing and other working procedures.

In addition, it is not unusual for statistics on reported cases from previous reporting periods, such as past fiscal years, to fluctuate. Statistics may rise, or fall, as late reports are made, backlogs are processed, new cases uncovered; or new evidence developed which changes the character of a case.

The following charts contain information on violations provided by the Food and Nutrition Service.

There is no chart for trafficking violations per se. Figures on trafficking are elusive, and offices interpret the term differently. Some offices consider it a motive for the perpetration of violations, such as thefts or embezzlement rather than a primary category of a violation, except in instances where persons are actually caught in the act of trafficking. On the other hand, the Office of Investigations, for example, considers all violations possible trafficking cases if the coupons or ATP cards have or would likely find their way into trafficking channels had the violation gone undetected. This includes cases such as thefts, some wholesaler and retailer cases, in addition to some cases of recipient fraud, or embezzlement by certification or issuance office personnel.

Food Stamp Counterfeit Activity

	FY 1974	FY 1975	1st 2 Qtrs. FY 1976
Number of instances	11	33	20
Total number of counterfeit coupons in circulation	119	1,916	847
Total value of counterfeit coupons in circulation	$295	$9,562	$4,307
Total number of counterfeit coupons seized before circulation	226,996	167,039	20,052
Total value of counterfeit coupons seized before circulation	$1,134,336	$825,633	$100,260
Total value of counterfeit coupons seized	$1,134,630	$835,195	$104,567

Source: FNS, USDA

Source: FNS,USDA

FY 1974

Reports of Loss	Occurrences	Dollar Loss
*Thefts of cash & coupons	48	$375,142.15
Bulk shipments lost in transit	11	84,826.50

FY 1975

Reports of Loss	Occurrences	Dollar Loss
*Thefts of cash & coupons	62	$572,037.62
Bulk shipments lost in transit	3	49,770.62

*Includes cases where ATP's were stolen and used to obtain coupons.

Gross Negligence by State Agencies, 1970 - 1975

Area	Original Billing
Washington, D.C.	63,861.00
Cook County, Illinois	230,274.25 22,926.00
Monmouth County, New Jersey	274,439.00 70,787.00
Los Angeles, California	720,000.00
Santa Clara, California	216,400.00
Oahu County, Hawaii	51,000.00
Lincoln, Nebraska	4,174.00
Seattle, Washington	20,500.00
Michigan	17,740.00
Total	$1,692,101.25

Source: FNS,USDA

Retailer/Wholesaler Violations

	FY 1974	FY 1975
Investigations Requested	2,664	4,165
Investigations Received	2,264	2,834
Number of investigations indicating evidence of violations **	1,145	1,452
Number of investigations indicating no evidence of violations	1,119	1,382
Cases Referred to Justice	725	666
Cases declined prosecution	602	499
Cases resulting in successful prosecutions	217	147
Most severe fine	$3,500	$3,000
Most severe probation	5 years	8 years
Most severe jail sentence	6 months	3 months
Administrative Actions		
Less than disqualification (warning letter, store visit, confirming letter)	639	730
30-day disqualification	42	44
60-day disqualification	105	106
90-day disqualification	48	30
6 months disqualification	268	238
1 year disqualification	262	259
3 year disqualification	9	7
Total disqualifications	734	684
Charge letter sent based on redemptions exceeding food sales	81	107
Disqualifications	69	62

**does not directly correspond to administrative actions taken during the year since criminal action often delays administrative action.

Source: FNS, USDA

FNS notes to accompany wholesaler-retailer violations figures:

"The most frequent abuse found during OI investigation is the sale for food coupons of nonfood items most frequently found in an average shopping basket such as soaps, paper products, and health and grooming aids. Less frequently, more serious violations are uncovered such as the sale of alcoholic beverages for food coupons, the exchange of food coupons for cash, or the purchase of recipients' Authorization to Purchase Cards (ATP's) for cash.

Removal from the program may extend from thirty days to three years, depending upon the seriousness of the violations and whether the violations seem to have occurred due to poor supervision or deliberate policy. Generally, disqualification periods of six months and more are reserved for cases in which the evidence indicates a policy to violate the regulations even though FNS has attempted to secure voluntary compliance through store visits and letters to management. The maximum period of disqualification, three years, is reserved for extremely serious situations and is normally assigned when a store which has previously been disqualified for a substantial period is found to be again violating following reauthorization. It has also been assigned in the few cases which have involved large-scale trafficking in food coupons or ATP's.

Retail food stores may also be removed from the program if the amount of food coupons they present for redemption in a given period, usually one year, exceeds their eligible food sales for the same period since it would not be legally possible to do a greater food coupon business than 100 percent of eligible food sales. Disqualification in such instances will normally be for one year."

With respect to the involvement of retailers and wholesalers in trafficking of food stamps, the Food and Nutrition Service reports, "We have reviewed our cases reported during fiscal years 1974 and 1975. This study revealed no evidence of organized trafficking or blackmarketing of food coupons during 1975. What it did show was that, in a small percentage of cases, agents of the Office of Investigations successfully exchanged coupons for cash at a discount with personnel of retail stores. The amounts involved averaged less than $1,000 in coupons for $400 to $500 in cash. There was one such instance reported in 1974 involving nine individuals and a total coupon value of $14,730."

Certification and Issuance Personnel Fraud, FY 1974-1975

State	Number of Occurrences	Loss
Arkansas	3	20,304 +
California	10	264,706 +
Colorado	2	6,076
Oregon	1	Not yet determined
Alaska	1	1,776
Arizona	1	1,000 +
Louisiana	1	1,671
Virginia	2	3,842
New Jersey	1	Not yet determined
Alabama	1	42,306
Georgia	2	51,462
North Carolina	1	3,541
Mississippi	3	32,011
Illinois	3	3,331 +
Indiana	1	6,000
Iowa	2	13,587
Michigan	9	7,722 +
Missouri	2	23,654
Ohio	7	72,142
District of Columbia	Not yet determined	Not yet determined

Source: FNS,USDA

CLAIMS AGAINST FOOD STAMP RECIPIENTS, Fiscal Year 1975

Source: FNS, USDA

STATE	NUMBER OF CLAIMS ESTABLISHED	TOTAL AMOUNT OF CLAIMS
NORTHEAST REGION		
Connecticut	6	$ 1,034.50
Delaware	38	9,272.00
Maine	26	9,793.00
Maryland	452	58,192.90
New Jersey	175	21,061.00
New York	567	185,292.25
Pennsylvania	1216	115,635.22
Rhode Island	1	622.50
Vermont	3	1,973.20
Virginia	591	86,932.75
West Virginia	208	98,670.50
TOTAL	3283	$ 588,479.82
SOUTHEAST REGION		
Alabama	2395	325,939.40
Florida	5322	805,429.62
Georgia	725	88,044.25
Kentucky	1599	332,407.20
Mississippi	2015	472,482.50
North Carolina	826	162,875.25
South Carolina	858	299,765.60
Tennessee	2502	511,428.00
TOTAL	16,242	$ 2,998,371.82
MIDWEST REGION		
Illinois	370	76,638.00
Indiana	1252	147,088.70
Iowa	271	31,018.46
Kansas	73	7,866.00
Michigan	1137	112,774.95
Minnesota	122	26,585.75
Missouri	1052	304,267.75
Nebraska	466	103,407.50
Ohio	782	163,961.75
Wisconsin	276	37,876.75
TOTAL	5801	$ 1,011,485.61

WESTERN REGION		
Alaska	7	7,196.00
Arizona	90	78,900.75
California	2260	426,987.75
Idaho	14	4,414.75
Nevada	7	1,736.00
Oregon	1026	154,546.35
Washington	308	38,642.50
TOTAL	3712	$ 712,424.10
WEST-CENTRAL REGION		
Arkansas	97	26,768.75
Colorado	526	106,948.45
Louisiana	839	317,853.75
Montana	115	7,059.60
New Mexico	938	199,407.50
North Dakota	88	20,376.75
Oklahoma	124	29,788.75
South Dakota	53	10,284.50
Texas	2309	180,596.98
Utah	202	66,030.75
Wyoming	134	20,420.00
TOTAL	5425	$ 985,535.78
GRAND TOTAL	34,463	$ 6,296,297.13

With respect to this chart, FNS states the majority of overissuances documented on this chart are due to cases of fraud or deliberate misrepresentation of facts by the household. Some of the overissuances are due to certification errors on the part of the state agency or to misunderstanding of program provisions by the household; however, since collection action may be declined in these instances, they would not all be documented on the chart. This chart represents the total number and value of claims for which collection action was undertaken in fiscal year 1975.

Certain cases such as all fraud cases and non-fraud cases involving food coupons worth more than $400 must receive the concurrence of FNS before the state agency can decline collection activity. This chart does not include 2,984 cases considered uncollectable during FY 1975, with a value of $800,500.

The preceding statistics prompt the inevitable question, do such figures represent actual levels of violations against the food stamp program? Whatever the actual levels of illegal activities, it seems unlikely statistics used by federal food stamp administrators for several of the major categories of violations are accurate.

Possible violations usually become known to food stamp authorities in two fashions. First, they may be alerted through reports from outside sources, such as the public or local law enforcement agencies. However, such a method of detecting violations is too random to be a consistently reliable means of overseeing program security.

Secondly, there are working procedures which enable authorities to monitor the food stamp program and to identify possible violations. Some of these procedures, while of great importance to program security, are more properly considered tools of administrative review, with the detection of illegal activities not being the primary purpose for their use. Such procedures would include, for example, various types of audits, quality control reviews, and the food stamp accountability system. Irregularities which are identified in the course of the use of such procedures, which might involve possible criminal violations of the food stamp program, are reported to the appropriate officials for investigation. The admitted failure of the Food and Nutrition Service to adequately administer the food coupon accountability system throws the security of food stamp funds, coupons and ATP cards into question. Until all funds and documents have been accounted for and the effective monitoring of the system undertaken, the accuracy of present figures on coupon losses or statistics addressing levels of retailer compliance, or certifying and issuance personnel fraud will, at least from the standpoint of coupon accountability as

a means of detecting possible abuse, be in question.

Other working procedures are more immediately related to the identification of illegal activities and should be noted for the areas of retailer violations and suspected recipient fraud in particular, so as to provide a clearer perspective on what statistics on these violations reflect.

"Retailer" compliance. With over 96 percent of the firms authorized to accept food stamps in exchange for eligible food items being of the retail food store variety, the monitoring efforts of FNS with respect to compliance are primarily geared toward this type of firm. Less than four percent of the firms authorized to accept food stamps in FY 1975 were made up of wholesalers and the so-called "prepared meal services," which include communal dining facilities for the elderly, and drug addiction and alcoholic treatment and rehabilitation centers. In FY 1975, there were 239,236 retail firms in contrast to 3,985 wholesalers and 5,597 prepared meal services authorized to accept food stamps.

Federal instructions on compliance for prepared meal services state, "meal services will be educated and supervised in program operations as are regular retail stores through regularly scheduled educational visits to the firms. Generally, the visits to meal services will be planned and conducted in the same manner as are visits to regular retail stores with some exceptions." The same instructions also state that with respect to compliance, FNS field personnel are to apply current policy's and procedures for detecting, handling and documenting any compliance problems. Such efforts are undoubtedly inhibited by the fact that one of the two major compliance monitoring methods employed by FNS, and from which 80 percent of its requests for investigations originate is "computer redemption analysis," a technique presently applied exclusively to retail food stores. This leaves the oversight of compliance for prepared meal services to the second major monitoring procedure employed by FNS, which is the

solicitation of rumors or reports of observed violations from the local public, law enforcement authorities, local welfare offices or local agencies involved in some aspects of the licensing or regulation of prepared meal services.

The Office of Investigations reports that in FY 1975, the Food and Nutrition Service did not request any investigations of prepared meal services. In FY 1976, there wer two requests to monitor investigations which were being conducted by state agencies on two drug rehabilitation and alcoholic treatment facilities authorized to accept food stamps.

The Office of Audit reports that FNS has requested a special emphasis during FY 1976 on state-certified drug addiction and alcoholic treatment and rehabilitation centers which are participating in the food stamp program. OA has indicated there are about 20 centers concerned and "FNS would like to know whether the food stamps are being used in accordance with regulations, and that the stamps are actually going to the centers and are being used by the center rather than by the drug addicts and alcoholics."

At this time the effectiveness of FNS retailer compliance activities is uncertain. Investigations of possible non-compliance situations, which account for about 80 percent of the food stamp investigations done by OI have been significantly affected by the quota on retail investigations imposed last fall due to OI manpower and resource limitations. Carrying out even the number of investigations on retail stores allotted under the quota — 3100 -- has been substantially impeded by the transfer of OI manpower to assist in review of irregularities recently uncovered regarding the handling and redemption of food stamp funds by food stamp issuance agents. At this time, FNS officials state they have been given no definite indication by OI as to how long the present situation might be expected to continue. Thus far during FY 1976, approximately 1600 retail investigations have been conducted. FNS does not have a specific figure on the

backlog of retail investigations which has been created, but ballpark estimates range between 3,000 to 4,000. The full impact of the ripple effects of the mobilization of OI manpower to work on vendor irregularities would be extremely difficult to calculate, since FNS officials have informed staff FNS has advised its retail compliance personnel in the field to limit the number of requests for investigations due to present absence of available manpower to handle them.

At this time, USDA is considering alternatives to resolve the problems of retail investigations. FNS officials indicate one option which is being given major consideration is the establishment of an investigative unit within the Food and Nutrition Service itself.

The most common retailer violation found by investigators is the sale of ineligible items in exchange for food coupons. FNS maintains that computer redemption analysis, which compares the food stamp redemptions of a retail store against its actual food sales and those of nearby competitors is an effective means of identifying possible violations, since a store could not legally have a larger volume of coupon redemptions than food sales.

FNS officials note the types of requests for investigations of retail stores most affected by the OI quota will be those which originate as a result of computer redemption analysis reports.

Although it should not be construed as an indication of present compliance levels for retail stores, it should be noted there has only been one, nationwide direct, "no-advance" warning retailer compliance sampling conducted by the Department of Agriculture. During March and April 1969, the Office of the Inspector General (now known as the Office of Audit and the Offfice of Investigations) conducted a survey to obtain data on the compliance of retailers authorized to accept food coupons in the 12 largest metropolitan areas served by the food stamp program.

The twelve areas included in the survey were: Buffalo, Pittsburgh, Cleveland, Detroit, Minneapolis-St. Paul, Los Angeles, Philadelphia, Baltimore, Cincinnati, Chicago, St. Louis and San Francisco-Oakland. These twelve areas encompassed 16,637 participating retail food stores, which served 26.5 percent of all food stamp recipients and accounted for 30.5 percent of the total value of all food stamps issued. During FY 1968, the fiscal year in which the survey was conducted, these areas received a total of $135 million in food stamps, of which $52.5 million were "bonus" coupons.

Using scientific sampling methods, a random sample of 367 retail stores was selected from the 16,637. There were no preliminary visits or evaluations of individual stores. Retail food store investigations are usually conducted by special agents, utilizing the paid services of local persons who attempt to make purchases with food stamps of ineligible items or to exchange the coupons for cash, at participating stores. Hired shoppers previously unknown at the stores were used and carried standard grocery lists containing various non-food items.

The survey revealed that of the 367 stores tested, 162 or 44.1 percent sold ineligible items. Ineligible items which hired shoppers were able to purchase included soap, toilet paper, toothpaste, scrub brushes, light bulbs, rubber gloves, furniture polish, hair spray, deodorant, scotch tape, mops, air freshener, magazines, cigarettes, beer, and other alcoholic beverages. Another 45 or 12.3 percent of the stores committed administrative violations only, such as giving cash in change, giving due bills over 49 cents, and overcharging. The report on the results of the survey stated: "Based on these occurrence percentages, statistical projections to the total group of 16,637 stores means that between 6,472 and 8,219 stores are selling ineligible items to strangers for food stamps. Likewise about 1,497 to 2,695 stores are committing administrative violations."

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On the basis of the survey results, the Office of the Inspector General concluded: "1) There is large scale retailer and recipient noncompliance; 2) OIG and C&MS (Consumer and Marketing Service, predecessor to FNS) compliance efforts are not effective or efficient; 3) Compliance be retailers is governed by their ethics of the situation as to whether and what non-food items will be sold; and 4) Testing and compliance on an individual store basis is not realistic with present resources."

The following September, the Administrator of FNS forwarded to the Assistant Secretary for Consumer and Marketing Services a lis of "certain actions we believe will be responsive to alleviate the problem." Examples of actions to improve compliance or more effectively monitor it included:

1) more emphasis on educating retailers concerning the rationale of the food stamp regulations; 2) seeing the greatest compliance benefit is realized from investigations and audit; 3) utilizing coupon redemption analysis; 4) emphasizing the state agency responsibility to educate recipients on their obligations as participants in the food stamp program; 5) increasing public awareness of program objectives; and 6) encouraging more prosecutions of food stamp violations.

In the seven years since the sampling was made, reforms were made, but since there has been no comparable sample made subsequent to the 1969 survey, a "before and after" comparison of retailer compliance is not available.

Recipient fraud, the Federal perspective. Recipient fraud is without doubt one of the most controversial categories of food stamp violations. Because state agencies interview and certify eligible food stamp recipients, they have the primary responsibility for the identification and investigation of suspected cases of recipient fraud. State efforts to control and monitor recipient fraud will be dealt with in more detail in the second half of this study.

Federal officials notify state agencies of any indications of recipient violations which may turn up in the course of federal reviews of the program, but federal food stamp administrators are mainly involved in handling recipient fraud to the extent they issue pertinent guidelines and instructions to the state agencies, and the state agencies must have federal concurrence on each case where food coupons have been improperly issued as a result of fraud, before action can be undertaken to recoup any loss to the program.

The results of a working procedure known as "claims review determinations" are utilized by federal food stamp administrators to indicate levels of recipient fraud. The primary purpose of this process is to assess financial liability against the appropriate party whenever an overissuance of bonus food coupons becomes known to the state agency. The state agency must determine whether the cause of the overissuance was a result of agency error, a misunderstanding of the program requirements by the recipient, or fraudulent misrepresentation by

the recipient. Once financial liability has been determined, an effort is made to recover the value of the overissuance.

Federal instructions for claims review determinations state all cases of overissuances of bonus coupons involving suspected recipient fraud or misrepresentation must be reported to the Food and Nutrition Service, as well as all non-fraud overissuance cases with coupon values of $400 or more.

State agencies are not required to report non-fraud cases of coupon overissuance, i.e. due to recipient misunderstanding of the program requirements or error on the part of operating personnel (except cashier's error), which involve coupon values of less than $400. State agencies may also decline collection action on such cases, to recover the value of excess free coupons from the recipient household, if gross negligence is not involved, if it is determined collection of any significant sum cannot be made, or if the cost of collection will likely exceed the amount to be recovered.

The state agency may also decline collection on fraud cases and non-fraud cases involving overissuances of $400 or more, but only with the concurrence of the Food and Nutrition Service.

Since the Food and Nutrition Service has used the results of the claims review determination procedure to indicate levels of recipient fraud, it is of great importance to know 1) how the state agencies go about identifying cases of possible overissuances and 2) how the state agencies distinguish between cases of overissuance resulting from fraud, misrepresentation, or an honest misunderstanding of the program requirements.

The Federal Government does not actually know how each state agency proceeds to identify possible cases of coupon overissuances. FNS has noted

losses to the food stamp program may be revealed by several means, such as audits, investigations, quality control reviews, casefile reviews, or routine caseworker or supervisory reviews. However, cases are not reviewed specifically for the purpose of establishing claim determinations. Claim determinations are required at any time the State discovers a loss to the program, but the USDA does not mandate a specific procedure to identify loss cases. Therefore, there are no federal guidelines which instruct all state agencies to utilize consistent or even similar methods of identifying cases of coupon overissuances, The Food and Nutrition Service, in effect, does not know on what basis cases of coupon overissuances are identified by the state agencies, or for that matter, what percentage of the total cases identified are represented by cases where fraud is suspected.

Distinguishing fraud, or deliberate misrepresentation, from misunderstanding is critical to the claims review process, since upon such distinctions is based the obligation of the state agency to report overissuance cases involving losses of $400 or less.

Federal instructions to the state agencies for the claims review determination process state: "Fraud as used herein means the obtaining of free coupons under false pretenses. This shall include any instance where misrepresentation is constituted on circumstances of a recipient's failure to comply with the certifying agency's instructions for the reporting of any change in income or household composition." However, distinctions are not clearcut. Elsewhere in the instructions, it is stated with respect to the recipient's responsibility to report any change in income or household circumstances, "applicant households should be advised that continuing failure to report such changes could constitute fraud and/or misrepresentation."

The claims review determination instructions contain no definition for misunderstanding. In a recent letter to a Member of the House Agriculture Committee, the USDA stated: ". . . there is no definition or explanation of misunderstanding in the instructions. We do not feel a definition necessary to allow the caseworkers latitude in dealing with participants who are of varying levels of educational achievements and language skills. The difference between misrepresentation and misunderstanding is largely based on the intent of the recipient and not a specific set of circumstances; hence failure to report a household change could be either. The caseworker, who has had previous contact with the participant, is generally the best judge of the participant's intent."

The distinction between deliberate misrepresentation on the part of a recipient or his honest misunderstanding of the program requirements therefore depends primarily upon the perception of the individual caseworker.

To summarize, federal statistics on recipient fraud are based on the results of state agencies' reviews of cases of coupon overissuances and a determination by the state agency as to whether the overissuances were due to agency error, or recipient error as a result of deliberate misrepresentation, or a misunderstanding of the program requirements.

There are no federal instructions or guidelines requiring the specific use of consistent or similar methods to identify overissuance cases by state agencies nationwide, and the USDA has no real idea of the actual parameters of the claims review determination process with respect to each state agency's effort to identify and review possible cases of coupon overissuance.

Clearcut federal definitions between misrepresentation and misunderstanding are lacking, and the initial assessment of whether or not deliberate misrepre-

sentation may be involved in an overissuance case hinges on the perceptive talents of the caseworker.

The federal statistics on claims review determinations for FY 1975 show wide state-to-state variations in the numbers of claims which are established, ranging from as few as one or two claims reported by some states, in comparison to 5,000 or more claims reported by other states. Part of the variations is due to the fact that not all claims which are established are required to be reported by the state agency to the Food and Nutrition Service. However, there is no way to determine to what extent this may account for the variations since USDA maintains no records on this. Another reason for the variations is the fact the statistics provided on claims review determinations by FNS do not reflect those claims which were reported to FNS, but which are determined to be uncollectable. For example, in FY 1975, FNS reported 34,463 claims totaling $6.3 million. An additional 2,984 claims, totaling $800,500, were deemed uncollectable.

Nonetheless, the Department of Agriculture has observed that most States do not pursue claims vigorously enough to fully ascertain losses and liabilities for all improper coupon issuances.

It should be noted that beginning in July 1976, FNS will require each state agency to provide a system for monitoring and improving its administration of the food stamp program, which will include state and local handling of claim determinations. For the time being, however, USDA cannot be certain of the actual level of recipient fraud, or how close current figures come to being representative of that level.

In response to a question raised by a Member of the House Agriculture Committee during hearings on food stamps in February of this year, as to whether the Department knew the level of abuse by recipients and retailers, Assistant Secretary Richard Feltner stated: "I do not have any figures that are reliable enough to say this is what it is. In the past I have used the figure of something far less than one percent as a fraud rate. I do not think we know what the fraud rate is. The figures that I have given you in the past have been based on actual prosecuted cases where an individual was found guilty. I do not think the fraud rate is extremely high, but I have to tell you I do not think we know exactly what it is."

APPENDIX IX

Survey of State Administrators on Illegal Activities

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L. T. EASLEY,
PRESS ASSISTANT

December 23, 1975

Dear :

During its food stamp study this year, the House Committee on Agriculture has received a great many of the food stamp survey questionnaires and Quality Control review forms that were requested of state and local welfare administrators throughout the Nation, and it is compiling the data obtained for the Committee's Food Stamp Study Report. I would like to express the Committee's sincere appreciation to you and others in your State who have contributed in this substantial way to our study of the Food Stamp Program.

There are, however, two areas in which we would very much appreciate additional assistance. The first is the Quality Control process. An initial review of the returned questionnaires revealed that about 80 percent of the state level jurisdictions believe the error detection and reporting aspects of Quality Control should be improved. This finding gains in importance especially when viewed in perspective with the Department of Agriculture's most recent report on Quality Control findings covering the July-December, 1974, period and the attendant attention given that report. Also, the validity of the Committee's analysis of Quality Control reviews for the month of April, 1975, depends heavily on the degree to which the Quality Control process yields a meaningful data base on the characteristics of program participants. Roughly one-forth of the returned state questionnaires cited problems in sampling, overall statistical validity or other areas associated with the use of Quality Control reviews. As the States are in a unique position to evaluate these factors, we have prepared the attached supplementary questionnaire to obtain your specific views.

Illegal program abuse is the other area for which additional detailed data and state views would be very helpful. Current national estimates of illegal abuse of the Food

Stamp Program range from "practically nonexistent" to "widespread". The Committee feels that it is critical, in the context of meaningful reform, to present this issue in a true and accurate perspective. To further this effort, we have developed a second questionnaire on which your assistance would be very much appreciated.

In the interest of time and the many other demands facing state and local welfare officials, we have limited both questionnaires to state-level viewpoints. We encourage you, however, to include any other material on state and local views you may desire.

We would be grateful if the attached questionnaires could be completed and returned to the Committee by January 30, 1976, so that we may realize their full benefit in the consideration of major legislation affecting the Food Stamp Program. Please address your returns to:

Mr. David L. Wright
House Committee on Agriculture
1301 Longworth House Office Building
Washington, D.C. 20515

If you have any questions, please contact Mr. Wright directly at telephone number 202-225-2171. Thank you very much for the contribution of your State to this important study.

Sincerely,

Thomas S. Foley
Chairman

TSF:dlw:jc

STATE FOOD STAMP QUESTIONNAIRE ON ILLEGAL ACTIVITIES

A consequence of the dramatic expansion of the food stamp program has been the continuing problem of protecting program integrity and security. Important to the Committee's study will be a review of state/federal responsibilities and efforts in the detection, investigation and disposition of suspected cases of illegal activities in the food stamp program. We would appreciate your responses to the following questions to 1) further our understanding of how cases of illegal food stamp activities are handled at the state level; and 2) how this compares with the handling of similar cases in other state-administered welfare programs, notably Aid to Families with Dependent Children (AFDC).

Directions--Please respond on the basis of the operation of the program in the geographic area for which you are responsible.

A number of questions provide you the opportunity to explain your answer and to make recommendations for changes. If additional space is needed, please attach additional pages and identify by number the questions being answered. These explanations and recommendations will be given very careful consideration.

Respondent Identification

Name:

Title:

Office:

Address:

Telephone:

Legal Authority

1. Are there any state statutes which a) enumerate certain actions as criminal or civil violations of the food stamp program or b) are used in the prosecution of food stamp violations? Yes_____No_____. If "yes", please attach copies.

2. Do comparable state statutes exist for the Aid to Families with Dependent Children Program? Yes _____No_____.

3. Since the State Agency is responsible for the certification, issuance and claims review determination processes for the food stamp program within the State, does it provide state and/or local food stamp officers who work in these areas with any guidelines or instructions in the prevention or detection of illegal activities; or in the interpretation of distinctions between a "misunderstanding", a "misrepresentation", and "fraud" by an applicant or recipient household? Yes_____No_____. If "yes", explain briefly.

4. Has the adequacy of state statutory authority been an issue in efforts to prosecute criminal or civil violations of the food stamp program? Yes _____ No_____. If "yes", please explain briefly.

5. Has there been adequate guidance and incentive (i.e., fiscal incentives, cost-sharing ratios, etc.) from the federal level to assist the State in the prevention and control of illegal activities? Yes_____ No_____. If "no", please explain briefly.

Administrative Structure

6. Are there any agencies, offices or appointed officials within the State specifically assigned the responsibility for the prevention, detection, investigation, prosecution, or other disposition, of suspected cases of illegal activities in the:

a. AFDC Program: State____ Local_____ None_____.

b. Food Stamp Program: State_____ Local_____ None_____.

c. General Relief (or Assistance) Program: State_____ Local_____ None_____.

d. Medicaid Program: State_____ Local_____ None_____.

e. SSI Program: State_____ Local_____ None_____.

f. Other: State_____ Local_____ None_____.
(please specify)

7. What was the amount of staff and funding allocated for the control of illegal activities in the AFDC and Food Stamp Programs during the fiscal year ending June 30, 1975?

a. AFDC Program: Staff_____Funding_____.

b. Food Stamp Program: Staff_____Funding_____.

8. Of the total staff, funding, and time devoted to the control of illegal activities in all welfare programs administered in your state, approximately what percentage of each was allocated for the AFDC and Food Stamp Programs during the fiscal year ending June 30, 1975?

	% Staff	% Funding	% Time
a. AFDC:	_____	_____	_____
b. Food Stamp Program:	_____	_____	_____
c. All other welfare programs:	_____	_____	_____
d. Information not available:	_____	_____	_____

9. Does the State Agency evaluate its efforts to prevent and control illegal activities overall and implement improvements in areas where it feels its efforts are weak?

AFDC: Yes_____ No_____. Food Stamp Program: Yes_____ No_____
If "yes", please explain briefly.

a. AFDC:

b. Food Stamp Program:

10. If there are no agencies, offices or appointed officials at the state level who are specifically assigned the responsibility for handling illegal activities in the AFDC, Food Stamp and other welfare programs administered by the State, how are suspected cases of illegal activities detected and handled?

State and Local Relationship in the Identification of Suspected Cases of Illegal Activities.

11. Does the State promulgate any policy with respect to priorities which may be assigned to the identification of suspected cases of illegal activities among the various state-administered welfare programs? Yes ____ No_____. If "yes", please explain briefly.

12. For either the AFDC Program or the Food Stamp Program, does the State promulgate any instructions of guidelines to State and/or local county employees for the identification of suspected occurrences of illegal activities?

AFDC: Yes_____ No_____. Food Stamp Program: Yes_____ No_____.

If "yes", please explain briefly.

a. AFDC:

b. Food Stamp Program:

13. What are the most common means by which suspected cases of illegal activities are identified?

a. AFDC:

b. Food Stamp Program:

14. Is the identification of suspected cases of illegal activities: (please check)

		AFDC	Food Stamp Program
a.	state level responsibility	____	____
b.	local, county level responsibility, subject to state supervision	____	____
c.	local, county level responsibility	____	____
d.	Other (please specify)_____ _____	____	____

15. Are local, county level offices required to report all suspected cases of illegal activities they have identified to the State Agency?

		AFDC	Food Stamp Program
a.	Yes	____	____
b.	No	____	____
c.	under certain circumstances	____	____

If "c", please explain briefly.

State and Local Relationship in the Investigation of Suspected Cases of Illegal Activities.

16. Has the State established any policy or guidelines to which state and/or local personnel adhere in their investigations of suspected cases of illegal activities?

AFDC: Yes____ No____. Food Stamp Program: Yes____ No____.

If "yes", please explain briefly.

a. AFDC:

b. Food Stamp Program:

17. Once a suspected case of illegal activity has been detected, is the decision to investigate it (please check where appropriate):

		AFDC	Food Stamp Program
a.	state-level decision	____	____
b.	local, county-level perogative, subject to state approval or supervision	____	____
c.	local, county-level decision	____	____
d.	Other (please specify) _____ _____	____	____

18. Are local, county-level offices required to report the results of their investigations of suspected cases of illegal activities to the State Agency?
(Please check wherever appropriate):

		AFDC	Food Stamp Program
a.	Yes	____	____
b.	No	____	____
c.	Under certain circumstances	____	____

If "c", please explain briefly.

1) AFDC:

2) Food Stamp Program:

State and Local Relationship in the Disposition of Suspected Cases of Illegal Activities

19. Is the disposition of a suspected case of illegal activities (please check where appropriate):

		AFDC	Food Stamp Program
a.	state-level decision	____	____
b.	local, county-level perogative, subject to state approval or supervision	____	____
c.	local, county-level decision	____	____
d.	Other (please specify) _____ _____	____	____

20. Approximately what percentage of the disposition of the cases of illegal activities:

	AFDC	Food Stamp Program
a. are administrative	____	____
b. include judicial action	____	____

21. Where evidence exists to support suspected cases of fraud and/or misrepresentation by recipient households, what is the general likelihood of the following action for the majority of cases at the state and/or local levels:

AFDC Program	Prosecution	Termination of Benefits	Restitution Ordered	No Action
ALWAYS				
amounts under $200				
over $200				
LIKELY				
amounts under $200				
over $200				
UNLIKELY				
amounts under $200				
over $200				
NEVER				
amounts under $200				
over $200				

Food Stamp Program	Prosecution	Termination of Benefits	Restitution Ordered	No Action
ALWAYS				
amounts under $200				
over $200				
LIKELY				
amounts under $200				
over $200				
UNLIKELY				
amounts under $200				
over $200				
NEVER				
amounts under $200				
over $200				

23. Please list any summaries or statistical reports which are prepared on a regular basis, related to suspected or actual illegal activities in the AFDC, Food Stamp or other welfare programs (include form number, if any; brief description; frequency of preparation; whether employed for internal use or communication to another authority).

For the fiscal year ending June 30, 1975, please provide following data. Please indicate where approximations are used:

	AFDC	Food Stamps
24. Number of cases of fraud or misrepresentation which were disposed of administratively because prosecution was declined or evidence did not warrant referral for criminal prosecution.		
a. Total monetary value of losses:	____	____
b. Restitutions ordered: 1) number	____	____
2) $ value	____	____
c. Collections declined: 1) number	____	____
2) $ value	____	____
25. Number of prosecutions requested:	____	____
26. Number of prosecutions:	____	____
27. Number of convictions:	____	____
a. Total monetary value:	____	____
b. Restitutions ordered: 1) number	____	____
2) $ value	____	____
c. Collections declined: 1) number	____	____
2) $ value	____	____
d. Fines: 1) number	____	____
2) $ value	____	____

Data on Recipient Claim Determinations for Food Stamp Program only for Fiscal Year ending June 30, 1975.

28. For recipient claim determinations, please explain briefly the manner in which the State Agency determines what cases to review for possible overissuances of bonus coupons, i.e., does State Agency establish a sampling technique or do such cases come from a variety of sources, the State Agency reviewing cases as they are brought to its attention. What was the total number of cases reviewed for the fiscal year ending June 30, 1975?

29. What was the total number of cases of overissuances of bonus coupons due to recipient fraud or misrepresentation?

30. How many recipient households were disqualified from program participation as a result of fraud or misrepresentation?

31. How many recipient households were allowed to continue to be recertified for participation in the food stamp program, when the household or a member of the household owes FNS an unpaid balance on a fraud claim?

32. Please provide any other numerical information for the fiscal year ending June 30, 1975, which you believe adds to the comprehensiveness or better expresses illegal activities occurring in your state, or your efforts to control them.

AFDC/Food Stamps

a.
b.
c.
d.
e.
f.

33. Do you believe the data you have provided for this questionnaire adequately reflects the true level of illegal activities occurring in your State for the:

A AFDC Program: Yes____ No____. Food Stamp Program: Yes____ No____.

If "no", please provide any additional suggestions, data, or comments.

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August 26, 1976

TO: Members, House Agriculture Committee

FROM: Thomas S. Foley, Chairman

SUBJECT: Survey of State Administrators on Illegal Activities

In December 1975, a questionnaire to obtain information and opinions from Food Stamp Administrators regarding their role in the prevention, detection and control of illegal activities in the Food Stamp Program was sent to the Directors of the Departments of Social Services in each of the fifty States, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. All information was requested for fiscal year 1975. Data from four States were received too late to be included in the attached summary.

State and local responsibility for the control of illegal activities in the Food Stamp Program primarily involves recipient violations, such as fraud, misrepresentation of income, household situation, dual participation or any other deviation from the eligibility requirements of the program, Only these recipient violations are addressed in the survey.

Information was requested on state legal authority, administrative structures(staff and funding), and state and local relationships in priorities and control of abuses within the Food Stamp and other public assistance programs to determine state practices and procedures in prevention, identification and disposition of cases of illegal activities in the Food Stamp Program.

Respondents were also asked to comment on the adequacy of Federal guidance and incentive in pursuing system abuses. An overwhelming 84 percent of the states reported a total lack of federal guidance and incentive in the development and implementation of a coordinated methodology for the control of illegal activities in the Food Stamp Program. This is clearly evidenced by the absence of reliable federal data on recipient abuse of the program on the national scale.

Of particular interest was the disposition of known cases of fraud and misrepresentation in the Food Stamp Program. In a majority of states, 90 percent or more of the cases of illegal activities are settled through administrative action rather than through court proceedings, which often means that no punitive action was taken, and in fact, repayment may not have occurred.

Figures were sought in the area of case review for possible overissuance of coupons and the corresponding number of actual instances of coupon overissuance due to fraud and misrepresentation. Sufficient data exist only to compare the number of reviewed cases with the actual instances of overissuance in eighteen states. Less than five-thousandths of one percent of the total caseload of these eighteen states was reviewed for possible overissuance, revealing coupon overissuances directly due to fraud and misrepresentation in 51 percent of the cases.

Attachment

ATTACHMENT A

SURVEY OF STATE ADMINISTRATORS ON ILLEGAL ACTIVITIES

A full 32% of respondents stated that they have no State statutes which enumerate criminal or civil violations, or that are used in the prosecution of Food Stamp violations. The remaining 68% reported that State statutory authority exists. The survey reflects a direct correlation between the lack of this statutory authority and the low rate of judicial disposition of Food Stamp violations. Many states indicated a general reluctance to prosecute violations because of overlapping Federal and State jurisdictions.

In contrast, 94% of the respondents cited State statutes for the disposition of abuses of the Aid to Families with Dependent Children Program in which the States share from 17% to 50% of the benefit cost and reimbursement.

Thirty-seven States provide some guidelines to Food Stamp personnel on the prevention and detection of illegal activities in the Food Stamp Program, while 26% issued no such instruction. Only one State reported a uniform policy with respect to control of illegal activities for all public assistance programs.

An overwhelming majority, totaling 84%, of the respondents stated that there was not adequate guidance and incentive from the Federal level to assist the States in the prevention and control of illegal activities within the Food Stamp Program. Most respondents noted that little Federal assistance was given the States in the area of technical guidance in the prevention, detection and control of program abuse. The majority cited the cost to the State for recovering Federal monies in which they share no reimbursement, and which results in a 50% net loss of their expended resources as a significant disincentive to pursuing Food Stamp abuses.

Responses indicate that 17 States have no staff or funding available specifically for the control of illegal activities in the Food Stamp Program, and 12 more reported staffs of less than 5 people for statewide control. Of the States who maintain a staff specially allocated to the control of illegal activities in the Food Stamp Program, only three reported 50% or more of this staff's time was expended on Food Stamp Program violations.

It is apparent from the survey that there is no systematic method or coordinated effort employed at the Federal, State and Local levels in the prevention and detection of illegal abuses in the Food Stamp Program. Twenty percent of the respondents indicated that they exert no effort to evaluate the effectiveness of abuse controls within their Food Stamp Program. It is also evident from State responses that there is not adequate Federal guidance given the States concerning a methodology for detection of illegal

abuses. Only four States cited a case-by-case follow-up, review of fraud referrals, analysis of monthly statistics on prosecutable fraud, or other in-depth analysis of actual violations. Most of the States who indicated that they evaluated their Food Stamp Programs used secondary sources such as semi-annual, Department of Agriculture Quality Control Reports, State and Federal audits and other agency reports to conduct their evaluations.

Seventy percent of the respondents indicated that the burden of responsibility for prevention and detection of illegal activities within the Food Stamp Program rests with the local administrative unit, even though the disposition of suspect cases remains within the purview of State officials. Lacking a uniform policy at the Federal/State levels for control, the certification worker often must rely on suspicions and the aid of public complaints to detect abuses in the system.

A startling 71% of the respondents states that they issued no policy priorities for the identification of suspected cases of illegal activities among State-administered welfare programs. The remaining 29% had such a priority policy based only on known or recurring abuses rather than a systematic approach to possible violations.

Redetermination of recipient eligibility and some form of income verification at the State level were cited as most beneficial in identifying suspected cases of system abuse.

Twenty-six respondents disposed of more than 90% of their cases of illegal activities in the Food Stamp Program through administrative action, while only 13, half that number, indicated that more than 90% of their Aid to Families with Dependent Children Program cases were handled in this manner. This comparison supports the conclusion derived from the statements made by most of the respondents that the States are more diligent in their efforts to prosecute illegal abuses in the Aid to Families with Dependent Children Program because of the State cost-sharing ratio. For example: In a case of fraud within the Aid to Families with Dependent Children Program, the State sustains a loss of its contributed share of AFDC benefits, and if successfully prosecuted, may regain its full investment. However, the State sustains no direct loss of State monies in a case of fraud within the Food Stamp Program until the abuse is discovered and pursued at which time the State is guaranteed to spend, without reimbursement, 50% of the cost of corrective procedure.

States are not required to report on the abuses of the Food Stamp Program. States are required only to consult the Food and Nutrition Service of the Department of Agriculture on those cases of illegal activities where there is substantial evidence of violations in which judicial or administrative action is imminent. There is no consolidation

of information at the Federal level with regard to a systematic approach to dealing with abuses of the Food Stamp Program. There is no agglutination of successful methods of detection, identification of recurring abuses, types of illegal activities particularly prevalent in the Food Stamp Program or a general awareness of weaknesses in the system.

Even though the majority of the respondents rely heavily on administrative disposition of their cases of abuse in both the Aid to Families with Dependent Children and the Food Stamp Programs, 41 respondents did not have sufficient data to report the total dollar value of losses and restitutions ordered by the administrative action on their Aid to Families with Dependent Children cases, and 36 could not supply this information for their known cases of Food Stamp abuse. The 15 respondents who supplied the amount of total dollar losses resulting from fraud and misrepresentation violations reported over $2,677,000 in defrauded funds during FY 75 from the Food Stamp Program alone.

The 12 States who submitted complete data for FY 75 on the number of requests for prosecution for fraud and misrepresentation cases in the Food Stamp Program and the actual convictions obtained, reported 2,096 requests for prosecution and a conviction in 646 of these cases. Nine of these States revealed varying levels of staff and funding specifically devoted to control of illegal activities in the Food Stamp Program. One State, it is interesting to note, with the highest level of funding and staff allocated to the abuse area showed the highest number of requests for prosecution and the highest conviction rate. It would appear that as resources are directed toward abuse, the volume of discovered illegal activities increases proportionately.

When asked to indicate the number of cases actually reviewed for possible overissuance of Food Stamp coupons during FY 75, 21 respondents reported figures equaling an average of less than five-thousandths of one percent(.005) of their total caseload was reviewed for issuance error. There was an exception to this low rate of review. One respondent indicated that 12,230 cases, or 19% of its total caseload, were reviewed in FY 75. This respondent also stated that there had been zero dollar value loss, zero restitutions ordered, zero prosecutions, zero convictions and zero fines imposed, a remarkable achievement in contrast to the other respondents. Sufficient data exists only to compare 18 State reviews of cases for potential overissuance with the corresponding figures on actual cases of overissuance due to fraud and misrepresentation. Five-thousandths of one percent(23,758 cases) of this group's total caseload(5,836,953) was reviewed, revealing that 51%(12,089 cases) of the recipients reviewed had received an overissuance directly due to fraud and misrepresentation.

Nineteen respondents indicated that during FY 75, 3,200 households were disqualified from participation in the Food Stamp Program as a direct result of fraud and misrepresentation cases. One State noted, however, that it was prohibited by court injunction from disqualifying participants involved in cases of fraud. The general practice among the

States is to allow the households owing an unpaid balance on a fraud claim to continue to participate in the program, if they otherwise qualify, for a limited time period or continuously if the recipient makes regular payments on his outstanding debt.

TWENTY-EIGHT STATES OFFERED COMMENTS AND CRITICISMS OF THE FOOD STAMP PROGRAM, SOME OF THEIR CONCERNS ARE QUOTED HERE:

"WITH MORE INVESTIGATIVE PERSONNEL, OTHER ILLEGAL ACTS WOULD BE DISCOVERED. IT HAS BEEN THE EXPERIENCE THAT WHEN AN ELIGIBILITY WORKER HAS SOMEONE TO SUBMIT THE REPORTS TO, THEY TEND TO REPORT MORE, THEREBY PLACING TIGHTER CONTROL ON THE PROGRAM. PLAN ELIGIBILITY STANDARDS FROM THE FEDERAL LEVEL, DISTINGUISHING WHO IS ELIGIBLE AND WHO IS NOT."

"BETTER AND MORE COMPLETE TRAINING IS REQUIRED FOR THE ELIGIBILITY WORKERS AND THEIR SUPERVISORS. AUDIT AND INVESTIGATIVE STAFFS NEED TO BE INCREASED."

"A STANDARDIZED FEDERAL GUIDELINE AND FORM SHOULD BE PROVIDED."

"IT IS IMPOSSIBLE TO TELL, EITHER BY ANALYSIS OF Q.C. REPORTS OR INTERNAL AUDITS, THOSE CASES (NUMBERS) THAT HAVE FAILED TO DISCLOSE PERTINENT INFORMATION. ALSO, A 1,200 CASE SAMPLE, OVER A SIX MONTH PERIOD, DOES NOT GIVE A CLEAR PICTURE OF RECIPIENT CASES BECAUSE OF LARGE NUMBER OF CASES IN THIS STATE."

"THERE IS POSSIBLY A HIGHER INCIDENCE OF FRAUD AND MISREPRESENTATION THAN COMES TO THE ATTENTION OF THE AGENCY."

"THE AVAILABLE DATA IS INCONCLUSIVE AS A MEASURE OF THE TRUE LEVEL OF ILLEGAL ACTIVITIES."

"GENERAL LACK OF PROSECUTION EVIDENTLY ENCOURAGES FRAUD.... CONSEQUENTLY MOST CASES ARE HANDLED ADMINISTRATIVELY, i.e., THROUGH 'PLEA' BARGAINING OR DISMISSED."

"...SOME DATA CANNOT BE COLLECTED SINCE THE STATE DOES NOT HAVE STAFF AND FUNDS."

"ACCURATE STATISTICS ARE NOT BEING MAINTAINED BY THE STATE AGENCY."

"WE RECOMMEND THAT USDA DEVELOP A MODEL FRAUD CONTROL SYSTEM AND PROVIDE INCENTIVES TO STATES TO PURSUE ILLEGAL ACTIVITY IN THIS AREA."

"WE HAVE INSUFFICIENT INVESTIGATIVE STAFF TO DO TIMELY, IN-DEPTH INVESTIGATION."

"WE ARE UNABLE TO ACT ON A LEGAL BASIS BECAUSE THERE IS NO STATUTE..."

"A 'TRUE LEVEL' COULD NOT BE DETERMINED UNLESS EACH CASE WERE INVESTIGATED IN-DEPTH. COURT ACTION IS NOT USED AS A MEANS OF COLLECTION, SINCE THE TIME AND COSTS OF COURT ACTION RESULT ONLY IN PAYMENT TO USDA, WITH NOTHING AT THE LOCAL LEVEL. COUNTIES ARE NOT ENTHUSIASTIC ABOUT ACTING AS PROSECUTING AGENTS FOR THE FEDERAL GOVERNMENT."

"... WE DO NOT BELIEVE THE AVAILABLE DATA GIVES A COMPREHENSIVE PICTURE OF ILLEGAL ACTIVITIES IN THE STATE FOR THE FOOD STAMP PROGRAM."

"... IS ENGAGED IN DISCLOSING ILLEGAL ACTIVITIES IN NON-ASSISTANCE FOOD STAMP PROGRAM IN: 1) COLLEGE STUDENT POPULATION AND 2) MIGRATORY WORKERS."

"SIMPLIFY THE FOOD STAMP PROGRAM OR ABANDON IT ENTIRELY."

"FOOD STAMP REGULATIONS ON RECOVERY ARE TOO COMPLEX. BONUS VALUE OF COUPONS IS FEDERAL MONEY. NEW REGULATIONS ALLOWING DEDUCTIONS OF ILLEGAL PAYMENTS FROM FUTURE BONUSES OR INCREASING PURCHASE PRICE IS A HELP IN RECOVERY."

"FROM THE QUESTIONNAIRE, YOU COULD EASILY GAIN THE IMPRESSION THAT WE ARE 'SOFT' ON FRAUD. THIS IS NOT THE CASE. ...WE USE THEM VERY LITTLE IN FOOD STAMPS FOR THE SIMPLE REASON THAT NONE OF THE RECOVERIES IN OR REDUCTION OF FRAUD IN FOOD STAMPS DIRECTLY BENEFIT THE STATE.... ... IF FEDERAL OFFICIALS WON"T ACT TO SAVE FEDERAL DOLLARS, YOU CAN SEE HOW IT IS DIFFICULT TO GET STATE LEGISLATORS AND DISTRICT ATTORNEYS TO INVEST THEIR MONEY TO SAVE FEDERAL DOLLARS."

"...SOME INCIDENCE OF FRAUD (SUCH AS SALE OF COUPONS) WILL REMAIN UNDETECTED DESPITE ANY ADMINISTRATIVE EFFORTS TO MONITOR CLIENTS' BEHAVIOR."

"THE INVESTIGATIVE DIVISION ON ILLEGAL ABUSE OR MISUSE OF COUPONS NEEDS FISCAL INCENTIVE TO BE ABLE TO ESTABLISH THE MECHANISMS AND PROCEDURES FOR PREVENTION, DETECTION, CONTROL, CORRECTION AND PROSECUTION OF CASES INVOLVED."

CONCLUSION

THIS SURVEY REVEALED AN ABSOLUTE DEFICIENCY IN COORDINATED EFFORTS TO IDENTIFY, PREVENT, DETECT AND CONTROL ABUSES OF THE FOOD STAMP PROGRAM. UNCLEAR JURISDICTIONAL GUIDELINES, THE ABSENCE OF DATA ON ACTUAL AND SUSPECTED ILLEGAL ACTIVITIES AND THE MONETARY DISINCENTIVE TO PROSECUTING VIOLATORS HAVE COMBINED TO BESTOW ON THE FOOD STAMP PROGRAM AN AURA OF QUIXOTIC ENDEAVOR.

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